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International Affairs: Mexico, France on Helms-Burton Law

PA2605171196 Mexico City NOTIMEX in Spanish 2019 GMT 24 May 96

[FBIS Translated Text] Mexico City, 24 May (NOTIMEX) — Mexico and France agreed to form a task force at the diplomatic level to review the possible consequences of the Helms-Burton law, French Foreign Minister Herve De Charette announced today.

At the conclusion of the [word indistinct] Mexican-French Binational Commission, he said that the task force will study the feasibility of other initiatives, in cases in which French and Mexican [companies] are affected by the law.

After noting it is too early to talk of more rigorous measures on the matter, he reiterated that it is dangerous "for a country out of its own jurisdiction to question the rules of international commercial life."

He noted that the creation of this group is important since it is necessary to debate the possible adverse effects that the application of this law could have. The law seeks to punish countries that invest and do business with Cuba.

Mexican Foreign Secretary Jose Angel Gurria said the group will serve to discuss information, interpretations, and possible courses of action to be adopted in the event that the law affects the companies of the two nations.

Gurria concurred that it is still too early to talk about actions to be adopted, since the criteria that would be utilized to try to make such a law are unknown.

He recalled that Mexico and Canada asked the United States to participate in talks, which will be held on 28 May in Washington.

Gurria added that "there does not seem to be a law or regulation that could resolve the whole problem of the possible effect of the Helms-Burton law in our countries."

The senior official affirmed that the effects of this law, which the U.S. Congress approved on 12 March and includes third countries that do business with Cuba, cannot be countered with unilateral measures by a single country.

Within the framework of the official three-day visit to Mexico by French Foreign Minister De Charette, the Agreement of Participation of the French Republic as a member of the Association of Caribbean States (ACS) was signed. Foreign Minister Gurria, as president of the ACS Council of Ministers, and De Charette signed the agreement.

With the signing of this accord, France's overseas departments in the Caribbean, Guadeloupe, French Guiana, and Martinique, join the ACS as associate members.

Inter-American Affairs: Rio Group To Analyze Declaration

PY2705155496 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 27 May 96

[FBIS Translated Text] Here we have a report from the city of Cochabamba, where the coordinating meeting of the summit of heads of state and government of Rio Group member countries is about to be opened. The Bolivian Government, which is currently exercising the pro-tempore presidency of the Rio Group, submitted a draft declaration for the 10th summit of heads of state and government of Rio Group member countries. This draft declaration will be analyzed today and tomorrow by coordinators and foreign ministers, respectively. The draft declaration submitted by Bolivia includes subjects of subregional and hemispheric interest pertaining to the strengthening of democracy; the struggle against corruption, drug trafficking, and terrorism; democratic solidarity; economic integration; sustainable development; and governability.

In his capacity as pro-tempore secretary, Foreign Minister Antonio Aranibar stated that the Bolivian proposal begins with an assessment of the importance the Rio Group has acquired over the last 10 years and ends by estimating the role and function this integration endeavor will have in the next decade.

The central issue of the 15th meeting of foreign ministers of Rio Group member countries — which will be solemnly opened today by President Gonzalo Sanchez de Lozada — will be to establish the date of the next Rio Group presidential summit meeting in Cochabamba, tentatively slated for September, and to approve the agenda for this meeting and the contents of the final declaration of the summit meeting of Rio Group heads of state and government.

In the course of the preparatory meeting to the 15th regular meeting of foreign ministers of the Rio Group, which was opened yesterday, coordinators analyzed the content of a resolution congratulating the Paraguayan people and president for having defended the democratic system of government in the face of coup attempts. Jaime Aparicio, [international relations secretary at the Bolivian Foreign Ministry and] Bolivian coordinator of the Rio Group, reported about the outcome of the meeting of the CICAD [Inter-American Committee for the Control of Drugs and Drug Abuse] task force to discuss interdiction strategies for the next century, which was held in Washington D.C., from 21 to 24 May.

Inter-American Affairs: Bolivia's FM on Rio Group Goals

PY2805012796 Madrid EFE in Spanish 1811 GMT 27 May 96

[Article by Fernando de Valenzuela]

[FBIS Translated Text] Cochabamba, Bolivia, 27 May (EFE) — Bolivian Foreign Minister Antonio Aranibar said today that the Rio Group and OAS behavior in the Paraguayan crisis has shown that Latin American democracies are no longer defenseless before military coup attempts.

"The existence of the Rio Group is intimately linked to the consolidation and defense of democracy. This fact has been outlined by the Rio Group's remarkable behavior during the recent events in Paraguay. We were convinced that we were defending ourselves," the minister said during an interview with EFE.

Aranibar said that on the occasion we heard declarations, but also felt the immediate presence of neighboring countries in support of President Juan Carlos Wasmosy in order to make clear that the Rio Group was not going to accept any changes in the democratic or legal systems of any of its member countries.

"Beyond the specific pronouncement that will be included in the preparatory documents for the presidential meeting, it is obvious that the group's existence in itself issues unequivocal signals that all actions against democratic institutions are inadmissible," Aranibar said.

With respect to measures that the group will take in defense of democracy, the Bolivian foreign minister said that "apart from the possibility of an expressed mention of sanctions for these cases, the essential thing is to make clear the principles we support and our clear commitment to them.

With respect to the fight against corruption, which has recently been the reason for an Inter-American Agreement, Aranibar pointed out that the matter "is something that interest all countries, which must be faced with all clarity and without leaving any doubts, because it affects the democratic stability of our nations."

"The defense of democracy and its consolidation depends on a very clear effort against corruption. We must issue a very clear signal that there will not longer be impunity, that impunity can be eradicated jointly by Latin American and Caribbean countries," the foreign minister said.

Aranibar said he does not want "to dig any further" on the differences separating Chile and Bolivia on the issue of a sea outlet for Bolivians "so as not to break the channels of an indispensable dialogue."

"No matter how subtle the links in certain aspects, we must maintain them. The link in this case is that our bilateral agenda does not exclude any topic. We are interested in maintaining this path," the foreign minister said.

Aranibar wishes to maintain current tensions at the level of temporary events "in order to make possible to promote efforts that will start at very low levels and will gradually rise to higher levels."

The Rio Group rejection of the Helms-Burton law will not be expressly mentioned at this meeting. "What we are preparing is the document for presidents. The Helms-Burton law will be touched in the final document."

When taking over the pro tempore secretariat in January of this year, Bolivia proposed, and now it intends to reiterate, that it wants culture to be taken as a priority for integration and Latin American and Caribbean unity.

"We want this meeting to issue clear signals on an approach through culture. We want concrete signals that states will promote the cultural production of their peoples as a path for integration and unity," the Bolivian foreign minister concluded.

Aranibar and nine of his Latin American counterparts are participating in the 15th Ordinary Meeting of Rio Group Foreign Ministers in this city located in the center of Bolivia. The meeting is in preparation of the presidential summit scheduled for the end of August or the beginning of September of this year.

Inter-American Affairs: Bolivia's Sanchez on Rio Group Meet

PY2805034396 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2208 GMT 27 May 96

[FBIS Translated Text] Cochabamba, 27 May (AFP-NA) — Bolivian President Gonzalo Sanchez de Lozada proposed today at the opening of the 15th foreign ministers meeting of 14 Latin American countries that the next presidential summit of the Rio Group should create insurance to preserve democracy.

After the rebellion last April in Paraguay, one of the great agreements of this group should be to proclaim "democracy as the accepted government in our hemisphere," said Sanchez de Lozada to the foreign ministers and delegates attending the two-day meeting.

"In democracy we cannot eliminate anything, we have to include, not exclude," said Sanchez de Lozada in proposing an all-out defense of constitutionality.

Sanchez de Lozada alluded to the 10th meeting of the regional bloc also to be held in August in Cochabamba. He added: "We should talk about insurance for democracy."

He said: "It is worth pointing out that we have insurance for investments, for double taxation, but we don't have a clear mechanism for defending the democratic system."

He admitted that this "will not be easy because obviously the self-determination of people is a principle that must guide our acts, but we should make an effort to create an instrument, a real attitude for security in support of the democratic process in the entire continent."

How can we create an instrument, an attitude for defending democracy, Sanchez de Lozada asked upon requesting suggestions from the foreign ministers and their advisors.

Sanchez de Lozada pointed out that the Rio Group will be 10 years old this year and that it is strengthening integration and cooperation, and struggling against drugs, terrorism, corruption, and poverty.

Regarding integration, he said that the U.S. political situation has weakened the enthusiasm and predisposition for it and that the Mexican crisis has brought back the idea of seeking a common hemispheric market.

Sanchez de Lozada said: "We are trying to have the Rio Group make a new proposal, a reaffirmation of willpower to be able to say in the next meeting that were are ready to take two steps ahead."

Regarding the struggle against drugs and the need for an international strategy for the 21st century, Sanchez de Lozada said that within the context of the Rio Group, it was accepted that this is a problem that covers all of Latin America. He added: "The countries that are not producers are used for transit or money laundering or for providing precursors."

Inter-American Affairs: Rio Group Congratulates Paraguay

PY2805031696 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0102 GMT 28 May 96

[FBIS Translated Text] Cochabamba, Bolivia, 27 May (AFP-NA) — The Rio Group foreign ministers on 27 May approved a declaration, congratulating the government of President Juan Carlos Wasmosy and the Paraguayan people "for their resolute efforts that managed to preserve and guarantee the democratic system."

Upon assessing the 22 April crisis in which Army Commander General Lino Oviedo, who was discharged, attempted to rebel against Wasmosy, the declaration points out that these resolute efforts permitted "to enhance respect for the people's freely expressed determination."

The declaration issued by the 15th Rio Group Foreign Ministers Meeting in Cochabamba also reaffirms an "irrevocable commitment to democracy and respect for human rights."

The foreign ministers noted that, "upon confirming that any aggression against a democratic system prevailing in a country in our region represents an attack on the principles on which the solidarity of American states is based, they will carefully watch over any threats to the democratic system."

Inter-American Affairs: Canada, Mexico on Helms-Burton Law

PA2605171296 Madrid EFE in Spanish 0903 GMT 25 May 96

[By Jose Antonio Torres]

[FBIS Translated Text] Mexico City, 25 May (EFE) — The latent threats in the U.S. Helms-Burton law, which seeks to stiffen the economic blockade on Cuba, has succeeded in uniting Mexico and Canada more quickly than the North American Free Trade Agreement (NAFTA).

The Mexican and Canadian concern over the law grew after it was learned the United States was about to divulge the Helms-Burton law guidelines to notify companies that have businesses in Cuba that they could be affected by the enforcement of this law starting in August.

Canada and Mexico are partners with the United States in NAFTA, which was adopted in January 1994, and are also among the most adamant opponents to the U.S. law since the two countries have a high number of investments in Cuba.

Among the Mexican companies that could be hurt are Cementos Mexicanos (America's largest cement manufacturer) and Damos (telecommunications) that may be told to leave Cuba in no less than 45 days from the moment the U.S. notification is issued.

The U.S. Government enacted the Cuban Liberty and Democratic Solidarity Act, known as the Helms-Burton law, in the wake of the Cuban Air Force downing of two "Brothers to the Rescue" airplanes on 24 February.

The law will sanction individuals, companies, or institutions from other countries that conduct businesses with properties confiscated by the Cuban regime from U.S. citizens or companies after the 1959 revolution.

Should the Mexican and Canadian companies not cancel their investments in Cuba, according to the framework of the Helms-Burton law, they will be sanctioned, and the first step would be to deny to their executives and their relatives access to the United States, sources said.

The governments of the two countries have launched a diplomatic offensive to protect the interests of their companies going by the premise that the application of U.S. laws in other countries runs counter NAFTA, international law, and the WTO rules.

The first step in their joint defense materialized in early May when a group of Mexican lawmakers met in Ottawa, the Canadian federal capital, with Prime Minister Jean Chretien to discuss the effects of the law. During this meeting, which was solely devoted to the Helms-Burton law, the creation of a "Club with Cuba" ["Club con Cuba"] was proposed, which the Central American countries of Nicaragua, Costa Rica, El Salvador, Guatemala, Honduras, and Belize may join.

This allegiance will be "beneficial" for the relations of the continent, said sources at the National Action Party (PAN), Mexico's main opposition party, which looks kindly on the rapprochement with Canada to defend themselves together in view of the possible effects of the U.S. legislation.

On this point, Herminio Blanco, Mexican commerce and industrial development secretary, has scheduled a trip to Washington to attend a new round of talks with the U.S. administration regarding the enforcement of this law.

Blanco has censured the law because he believes it contains aspects of extraterritoriality and economic boycott that are "wholly unacceptable" to his government, which is why the country will act as the developments unfold, he noted.

In view of the threats contained in the law, Mexico has started formal talks with Canada to seek to counter its effects, Javier Trevino Cantu, deputy secretary for cooperation affairs of the Foreign Secretariat confirmed.

Cantu stressed that the Mexican Government has pledged to do "whatever it may be necessary" to defend the rights of Mexican companies that are threatened by the Helms-Burton law, which is expected to take effect in August.

Enrique Vilatela, Mexico's National Foreign Trade Bank of Mexico president, confirmed the government will defend "with all its might" the interests of the investors of Mexico, a country that sends to the United States 85 percent of its total exports.

Inter-American Affairs: Mercosur To Harmonize Patent Laws

PY2705162596 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2356 GMT 24 May 96

[FBIS Translated Text] Buenos Aires, 24 May (NA) — Congressmen from Argentina, Brazil, and Uruguay agreed today to "harmonize" their respective countries' laws and bills on patents. To that effect, they will hold an "extraordinary meeting" in mid-1996 to reconcile current legislation.

This was the most significant outcome of the Mercosur [Common Market of the South] Industry Committees Workshop held in Buenos Aires.

Having termed the issue of patents "highly sensitive," congressmen decided to meet again in Brazil in the middle of the year accompanied by experts and representatives of the four countries' executive branches.

Mercosur lawmakers pointed out that "member countries are in urgent need of harmonizing laws on foreign trade policy with a view to coordinating joint actions to counter unfair competition practices by third countries."

Furthermore, congressmen declared that it is of "paramount importance that policies adopted by each Mercosur member country not have an adverse effect on its partners' industries."

Cuba

Cuba: Robaina Views Aznar, Gore Statements on 'Transition'

PA2805020996 Havana PRENSA LATINA in Spanish 2158 GMT 27 May 96

[Report by Javier Rodriguez]

[FBIS Translated Text] Havana, 27 May (PL) — Cuban Foreign Minister Roberto Robaina said today that Spain's cooperation with Cuba is also part of that European country's national interest, and if these links are affected this will also be felt by those who benefit in the Iberia peninsula.

The foreign relations minister agreed to an interview with PRENSA LATINA and commented on the news appearing in the Spanish press that reports that Prime Minister Jose Maria Aznar intends suspending all soft credits to the island and limiting any assistance to Havana to humanitarian aid.

Robaina recalled that throughout these years, relations between Cuba and Spain have had moments of heightened and increased cooperation, beyond any ideological beliefs, and at other times when it was not possible to develop better ties due to several reasons.

After explaining that judging by these publications and other statements by the Spanish foreign minister, the situation seems to enter a complicated bilateral stage, the minister said that they need to wait for concrete facts before confirming this.

If this were indeed the case, we Cubans would feel those reduced ties much more. But we are sure that, in addition to the common man in Spain feeling it, for whom the friendship with Cuba has a special meaning, it would have an effect on Spanish factories and enterprises, in trade, and its possible expansion, he added.

In obvious reference to the economic benefits obtained by Spain's private businesses with Cuba, Robaina said that the matter is not just the concern of the party in power, because the relationship with Cuba is not only the interest of the nation of the Antillies.

"It would really be a pity that a policy on our country would be laid out without taking into account those interests. We trust that the new Spanish Government does not suffer this malady and if it does at the beginning, that it corrects it in a timely manner," he underscored.

Regarding statements attributed to Aznar during a joint news conference with U.S. Vice President Al Gore, Robaina said attention is drawn over the exaggerated concern given to Cuban internal affairs, "especially when this new government has so many domestic affairs to worry about and deal with."

In reply to another question, Robaina underscored that Cuba does not flirt with the barbaric acts, which in the name of democracy, are carried out in the world, "because Cubans have always concerned themselves with our democracy and no country, however important, has anything to do with a process that is 100 percent ours."

In his conversation with the journalist, a reference later came up over the wish for a "peaceful transition" in Cuba, supposedly stated in the joint news conference by the Spanish prime minister and the U.S. vice president.

We want to clarify to those who speak about our transition, that we above all are convinced of its peaceful character, and it will be toward more socialism, he said.

Robaina added that if to get along with others it is necessary to speak of transition and democracy, the island repeats that Cubans occupy themselves with their own affairs and will advance toward a socialism that is more and more perfected and do so in an absolutely peaceful way, provided an opposite manner is not imposed on us.

Another point clarified — also in response to a PRENSA LATINA question — was over the possible Spanish interest in making sure the Helms-Burton law does not affect the particular interests of that European state.

That law is not against Cuba, it is against the world, and it does not seem logical that Spain should only concern itself with those sections that especially harm them. Anyway, one has to see if the world is willing to accept that law, he concluded.

Cuba: Ukranian Delegation Arrives in Havana 23 May

PA2405144596 Havana PRENSA LATINA in Spanish 1508 GMT 23 May 96

[FBIS Translated Text] Havana, 23 May (PL) — A Ukrainian delegation headed by Dimitro Tabachnik, chief of administration for the president, arrived today in Cuba on a visit, which official circles in Kiev see as a stimulus for dynamic bilateral relations between the two nations.

The national news agency revealed that the delegation will remain in Cuba until 29 May, and is scheduled to meet with Cuban state and government leaders.

The programs includes a visit to Tarara beach, east of Havana, site of a center that has given aid to over 13,000 children who were victims of the Chernobyl nuclear disaster on 26 April 1986.

In addition, Serguei Borshchevsky, press secretary of the Ukrainian Embassy in Havana, said last night that the delegation's trip will install "a new spirit in the existing dynamic relations between the Ukraine and Cuba."

Borshchevsky, who described Tabachnik's position as being on the same level as a vice president, said that the delegation includes Igor Podolev, first deputy minister of foreign economic and trade relations, and other government officials.

The delegation from the European country — a former Soviet republic — will hold official talks with their Cuban counterparts to analyze the state of trade relations and cooperation in a number of areas, and to explore new areas of interest.

Borshchevsky described relations between Kiev and Havana as good, recalling that currently there exist 14 agreements for cooperation on a state and interministerial level, and seven more agreements are being analyzed.

Cuba: Ukrainian Official Previews President's Tour

PA2405204796 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 24 May 96

[Report by Nestor Pardino; from the "NTV" newscast]

[FBIS Translated Text] Ukrainian Presidential Administration Chief Dmytro Tabachnyk today held official talks with Cuban Foreign Relations Minister Roberto Robaina.

[Begin Nestor Pardino recording] Tabachnyk said that his country's contacts with Cuba was among the political and economic priorities of the Ukrainian Government, and that legal and contractual bases have been established to continue to move forward and bring those contacts to their full potential.

In addition, Tabachnyk stressed the willingness of the Ukraine to support Cuba in international meetings and to oppose policies aimed at isolating the island.

On the other hand, Robaina said that Tabachnyk's visited is viewed here as a very favorable gesture to foster their traditionally friendly relations. For three decades, the Ukraine maintained solid economic and technical ties with Cuba representing 30 percent of the total exports from the former Soviet Union to Cuba.

Currently, there are 14 agreements between Cuba and the Ukraine at state and interministerial levels, and according to official Ukrainian sources, the possibility of establishing another seven agreements is being studied.

Upon his arrival to Cuba this morning, Tabachnyk said one of his main objectives during this visit is to pave the way for the upcoming visit of the Ukrainian president. [end recording]

Cuba: Ammonia Leak at Fishery Reported; 'No Casualties'

PA2705175996 Havana PRENSA LATINA in Spanish 1340 GMT 27 May 96

[FBIS Translated Text] Havana, 27 May (PL) — Cuba's Civil Defense has reported that an ammonia leak at a fishery located in here in Havana was quickly controlled today. No casualties were reported.

In statements to PRENSA LATINA, Lieutenant Colonel Heriberto Diaz Perez noted that the accident, which occurred early today, prompted the immediate action of units from the Fire Control Department and other Interior Ministry directorates, in coordination with the local population.

Diaz Perez added that although some people received immediate medical attention, the accident posed no major threat to the health of residents at Centro Habana and La Habana Vieja neighborhoods, the closest to the site of the accident.

He explained that the implementation of measures designed for these cases and the proper mobilization of residents, who used their own means to leave the most affected areas, helped lessen the effects of the leak very quickly.

Although Civil Defense will issue a news bulletin on the incident later on, Diaz Perez stressed that the situation is completely under control and all organizations that have to take action in these cases received the cooperation of the residents of the affected areas.

Cuba: 435 People Affected by Ammonia Fumes in Havana

PA2705191296 Havana PRENSA LATINA in Spanish 1644 GMT 27 May 96

[FBIS Translated Text] Havana, 27 May (PL) — The Cuban Civil Defense disclosed that a total of 435 individuals were given medical assistance today in Havana as a result of ammonia fumes that escaped from a local fishing combine.

Lieutenant Colonel Heriberto Diaz Perez informed PRENSA LATINA that the patients' lives were never endangered, adding that their health condition was not serious.

The patients were given medical assistance at the Miguel Enriquez, Calixto Garcia, Hermanos Ameijeiras, and Havana Pediatrics Hospitals and at the Antonio Guiteras and Manuel Zulueta health clinics among others.

The ammonia fumes mostly affected certain areas in Sitios and Pueblo Nuevo neighborhoods in Centro Habana and Jesus Maria neighborhood in Habana Vieja. For this reason, some of the residents decided on their own to go to the Havana sea wall.

On behalf of the Civil Defense Staff, Diaz Perez praised the attitude demonstrated jointly by the residents, the Department for Fire Prevention and Extinction, the local governments, and other authorities that helped to control the situation and prevent the loss of human lives.

This was accomplished although the aforementioned places are densely populated areas and despite the fact that the escape of ammonia fumes took place very early this morning when most of the residents were at home.

Cuba: R. Castro Letter Views 'Poor Condition' of Produce

PA2605041596 Havana Radio Rebelde Network in Spanish 1700 GMT 25 May 96

[Report on letter by Raul Castro, second secretary of the Central Committee of the Cuban Communist Party, to Agriculture Minister Alfredo Jordan Morales; from the "National Radio News" newscast — read by announcer]

[FBIS Translated Text] Havana City, 22 May 1996, the year of the fall of Antonio Maceo in combat.

Comrade Alfredo Jordan, agriculture minister.

Jordan: On 5 May, as the review of the participation of FAR [Revolutionary Armed Forces] Western Territory members in support of the 1995-1996 cold season campaign held in Havana Province ended, my first substitute, Division General Ulises Rosales del Toro, along with other Minfar [Ministry of the Revolutionary Armed Forces] comrades, visited the Valle Grande Central Market by chance. There, they could observe the poor conditions in which certain agricultural products were stored. These conditions were observed again in a group of general and grocery stores in Havana City. In light of the subsequent concern that ensued, they tried to find out how far this problem had spread. This is why several selling sites were visited the next day; these visits allowed them to determine certain characteristics of the losses the agricultural products had sustained as well as to take pictures as evidence. Losses amounted to more than 1,300 quintales in April at 10 selling sites located in five municipalities alone. We have to take into account the fact that there are 1,109 selling sites of this type in the capital.

Among certain examples that make this situation evident, we have the Orden 12 Unit located at the corner of Cristo and Muralla in Old Havana and which this month received more than 71 quintales of carrots and potatoes, 37 of which were lost; in other words, 52 percent of what was received was lost, not considering 25.5 quintales of potatoes the manager returned because they were in bad shape. In the municipality of Plaza de la Revolucion, it could be observed that, generally speaking, selling sites were closed. This is why questions were asked in [word indistinct] 27 Unit, where one of its workers said losses were huge in this place, a situation which created a difficult situation for neighbors due to the bad smell. This is why the Pork Enterprise had to pick up the products immediately.

The letter the Communist Party of Cuba's second secretary sent to the agriculture minister states that neighbors of the grocery store located at Calzada and J Street, which was closed, said the following among the opinions heard: Note that a great deal was lost here. Meanwhile, the manager of the unit located at 10 October and Tamarindo has affirmed that this situation was the same throughout the municipality.

In light of the limited number of places to store potatoes, the Valle Grande Central Market has agreed to store 10,000 quintales, and the day of the visit, it still had 2,264 sacks, 40 of which they estimated would lose. Those in charge of this market have argued that the National Union of Agricultural Collection/Distribution Centers forbids them to return the products they receive, regardless of the conditions in which they are. In fact, three trucks from a CPA [Agricultural-Livestock Cooperative] loaded with carrots of bad quality and even in bad condition were unloading at the time of the visit.

If the National Union of Agricultural Collection/Distribution Center does not play its methodic role as a wholesaler and if, far from establishing new relations among the bodies in charge of retail sales, it engages in this type of sales, the letter goes on, it will continue to be judge in its own case. As there is no counterbalance, these problems will continue.

Raul's letter states later on that the cadres and workers in this place have said production surpluses should be sent to other provinces such as Pinar del Rio, where there is a shortage of tubers. When they were asked why these products were not distributed to other organizations, military units, prisons, or others, they replied that they had already tried but that these places did not accept them because they already had enough products.

It was necessary to store about 30,000 quintales of potatoes at room temperature in the province under conditions that were not appropriate for the majority of the selling outlets, a factor which added to the limited demand and contributed to the losses, as has happened at 19th and 84th Streets in Playa where potatoes were lost even though they arrived in good condition.

The text of the letter issued by Raul continues:

According to what they have informed me, the loss of agricultural products has historically ranged between 5 and 9 percent, but the overall losses reached 25.6 percent in Havana in April, about 215,000 quintales. To give an idea, this is the equivalent of the distribution of one pound per capita for 10 days for the population of the capital or 70 percent of the production attained by Pinar del Rio Province in April. Potatoes account for 82,000 quintales of the aforementioned losses, about 16.6 percent of what was received in Havana. Cabbage accounts for 61,000 quintales, 54 percent of what was received, and carrots account for 55,000 quintales, the equivalent of 63 percent of what was received.

Moreover, the second secretary of the party stated in his letter that even though the quality of our carrots has been higher this year, it could not be sold; therefore, its price had to be lowered to 10 cents per pound just as potatoes were, but on 9 May alone, a total of 323 quintales of potatoes was received in the capital. Plans for May are to receive 59,000 quintales of carrots and 25,000 quintales of cabbage.

Raul added: I know that in the week prior to 1 May, between 7,000 and 8,000 tonnes and between 154,000 and 176,000 quintales of agricultural products in poor condition were collected for pig fodder; we could note this at the Quebrada del Yuro de Bauca Plant, which has received 5,877 tonnes so far this year, more than 129,000 quintales of these from Havana, 85 percent of them in April. These have fundamentally been comprised of potatoes, carrots, and cabbage.

When reviewing these figures, we must note that in view of the request made by the party in Havana Province, the delegation of the Agriculture Ministry has asked the FAR personnel that have participated in the winter harvest to continue with that work for 10 more days, something which, as Raul stated, will not be accepted if it is not organized and planned ahead of time.

The second secretary of the party also told the agriculture minister that he already knows and that it has already been informed through the media that the FAR, including the EJT [Youth Labor Army] division in Havana Province, collected 90 percent of the potatoes harvested in the territory. The letter warns that the additional effort that was requested from the FAR involved a total of 15,260 man-days in the harvest of more than 317,000 quintales of potatoes during that period. Total losses in Havana represented nearly 70 percent of what was harvested with that additional support received from the FAR.

We are willing to continue helping, sacrificing certain duties we have to carry out, but on behalf of the officers, cadets, soldiers, camilitos, and civilian employees of the FAR, we require an explanation of why such a huge percentage of that additional 10-day effort was lost. We also want to know who was responsible and what measures have been adopted.

In his letter to the agriculture minister, Raul states that he believes the fundamental cause of this situation in general is the problem of distribution, even though some may argue a lack of transportation or other reasons. Besides, we must bear in mind the small capacity of the chillers and industrial processing plants. Given the condition of the plantations, we were expecting a higher yield, something which was confirmed in practice because nearly 8 million quintales of potatoes were collected, but we must conclude that the National Union of Agricultural Collection/Distribution Centers did not react with the necessary agility to handle a higher level of production than planned, thereby showing that it is was not prepared.

Meanwhile, the government's directorate in the capital should have acted in a similar manner as when it confronted a shortage of products; that is, it had to kick and complain in order to get the necessary support in the areas of transportation and other assistance from the usual organizations in order to avoid the problem.

Raul told the agriculture minister: As a result of the information I have received from you, I learned that in the current month of May, the Agriculture Ministry conducted a survey in 69 centers in Havana and noted that losses continued to be experienced, particularly with carrots, sugar beets, and cabbage, reaching levels of more than 50 percent in most cases.

The letter continues: The lack of hygiene, the improper handling of products, and their poor presentation, among others reasons, prompt buyers to reject them. Regardless of the total losses, we must bear in mind that under the current conditions, the slightest shortage strongly irritates the people and even cadres and agricultural groups. This is a negative example from which we must draw the necessary experiences, and we must reprimand those responsible so the situation is not repeated, Raul stated.

The letter sent by Raul to the agriculture minister states that, as Comrade Carlos Lage said in the governmental commission meeting in support of the capital held on 15 May, we must work in three important directions: the organization of the agricultural collection system, the improvement of our cold storage capacity, and the possibility of the food processing of our products.

Fraternally, Raul Castro Ruz, second secretary of the Central Committee of the Cuban Communist Party and minister of the FAR.

Cuba: Lage Says R. Castro Letter 'Constructive Warning'

PA2705012596 Havana Radio Havana Cuba in Spanish 0000 GMT 27 May 96

[From the "Evening Information Review"]

[FBIS Translated Excerpt] Cuban Vice President Carlos Lage has suggested the adoption of timely measures to prevent losses in the distribution of agricultural products in Havana.

Raul Castro, second secretary of the Communist party of Cuba, warned about the situation in a letter to the Ministry of Agriculture. In statements to the national station, Radio Rebelde, Lage said Raul Castro's criticism of the Ministry of Agriculture is a constructive warning for the sector. [passage omitted]

Cuba: Lage Interviewed on Tourism, R. Castro's Letter

PA2705215696 Havana Radio Rebelde Network in Spanish 1255 GMT 27 May 96

[Interview with Carlos Lage Davila, secretary of the Executive Committee of the Council of Ministers and member of the Politburo of the Cuban Communist Party, by Jesus Diaz Loyola in Matanzas Province — recorded; from the "Doing Radio" newscast]

[FBIS Translated Text] [Diaz] Comrade Lage, what is the level of tourism development in Cuba at this moment, following the conclusion of the tourism convention? Convention participants described our island as a place the entire world wants to visit?

[Lage] I would say that during these years of the special period we have seen that tourism is an essential industry for the country's development. It has been important up until now and will continue to be important in the future. We believe tourism is the industry that can best contribute to our country's development. Tourism has grown by more than 40 percent this year. Construction in the area of tourism has increased. I believe this is a very important moment, and we are consolidating this industry as a strategic industry for the country's development.

[Diaz] Is the country reaching the goals announced by the authorities for this year in the area of construction for tourism projects?

[Lage] I believe that there has been a response, that there has been a recovery. More projects are being built, better projects are being built. These are still far from what we must attain. More than 1,500 rooms should be ready right here in Varadero by the end of the year. We can say that productivity has doubled. During the first four months of this year we have built the same amount of projects we built during the nine previous months; however, after examining the efficiency of these works, the productivity, the number of construction workers, and the time it takes for resources to reach us, we can say it is still not satisfactory. We are still inefficient and there is a long road ahead of us in the next [words indistinct].

[Diaz] I would like to ask you about something else. It is a topic of current importance in the country. We are talking about the letter sent by Comrade Raul Castro to the Agriculture Ministry about certain irregularities in the distribution of agricultural products in the capital. I would like to ask you as a journalist, don't you think this could be a reflection of what could be going on in the entire country as a result of our passiveness and bureaucratic inconsistencies?

[Lage] I do not think you should generalize. I believe we must see Comrade Raul's letter as a fair and necessary criticism of a problem that emerged, a problem that should not be repeated. During the past few years we have not really had surpluses. There was a surplus this time, and the losses that were reported should not have taken place. I believe there should be no generalizations made, but this is a warning to prevent these types of situations from being repeated in other areas of the country in which the rational use of resources is important. It is also a constructive warning that can contribute to the development of the country's sectors, such as agriculture and others. Thank you very much.

Cuba: Weekly Describes Middlemen as 'Unscrupulous'

PA2705182796 Havana PRENSA LATINA in Spanish 1314 GMT 27 May 96

[Editorial: "'TRABAJADORES' Says No Commitment to the Newly Rich"]

[FBIS Translated Text] Havana, 27 May (PL) Cuban weekly TRABAJADORES pointed out today that the country is totally devoid of any commitment to persons it described as "nouveau riche," and characterized as unscrupulous individuals who prey on the disadvantaged.

The official newspaper of the Cuban Workers Federation [CTC] thus refers in an editorial to the middlemen at farm product markets, who sell directly to the people. The newspaper adds that a firm decision has been reached to eliminate the middlemen, who have been substituting for farming representatives.

TRABAJADORES points out that these individuals have even used bribery to obtain permits to operate on the market, where they "cast their corrupting shadow."

The weekly recalls that at work center assemblies and at the recent 17th Congress of the Cuban Workers Federation, the current prices at those supply centers were criticized.

Independent of the fact that this situation is governed by supply and demand, which influence product prices, TRABAJADORES points out that it is a reality to which has been added the actions of a network of middlemen and speculators who are eager to quickly enrich themselves.

Meanwhile, market administrations are not always dedicated to their duties, and there have been cases of administrations that have turned into middlemen who buy wholesale to raise prices instead of lowering them; this attitude has not and will not go unpunished, the newspaper stated.

The weekly announced that this year there is the hope of producing 34 million quintals of tubers and vegetables for the country, thus increasing supplies and lowering prices for the general public at a faster pace than is currently done.

The newspaper also underscored that hard-working and honest peasants, with efficient work and without speculation or theft, have managed to legally accumulate high incomes. However, the speculators are reflecting a distorted image of rural producers who, in general, are not overpowered by the ambition of the "nouveau riche."

The speculators are the creators of the myths and confusions that attribute the expensiveness of products and services to taxes; they are the bitter enemies of economic and social order, the weekly states.

Further on the weekly explains that taxes are, in reality, "an efficient weapon of the revolutionary state of the workers and of humble and hard-working people, a shield against unbridled ambitions and in favor of justice and equality." Just as salaried workers give society their productive effort, the newspaper underscores, the unsalaried, who benefit equally from all social rights, should give society part of their incomes.

To conclude, the CTC weekly asserts that for those who illegally enrich themselves, taking advantage of the special circumstances the nation is experiencing, "nothing could be better than a solid tax that will take from them at least some of the money they abusively earn by the bagful."

Cuba: 'Text' of FAR Report to Working Class

PA2705211196 Havana Radio Rebelde Network in Spanish 1155 GMT 27 May 96

["Text" of article published by the weekly TRABAJADORES on 27 May: "Brief Report to the Cuban Working Class From Its Revolutionary Armed Forces"; read during the "Doing Radio" newscast]

[FBIS Translated Text] As stated during the recent 17th CTC [Confederation of Cuban Workers] Congress, in order to give delegates more time for debates, the Revolutionary Armed Forces [FAR] announced they would inform the working class about topics related to the country's defense on a later date. Today we are fulfilling that promise in TRABAJADORES, the newspaper of the working class.

For Cuban workers and the rest of our compatriots there is no doubt that we are their armed forces. This should be clear to the small annexionist groups and fifth columnists that exist in the country and those abroad who are wasting their time with crazy speculations about the revolution's strength and particularly about the FAR's fidelity to the revolution, party, and its commander in chief.

Throughout our history, workers, peasants, and the rest of the people have been faithfully linked to the only people's army that has ever existed, which during the years of struggle for our independence was called Mambi Army [Cuban natives who fought against the Spaniards]. Subsequently, during the battle for our national liberation, their children called it the Rebel Army. Today, made up of the Mambitos' grandchildren, they are called FAR.

Our people will never forget the hundreds of thousands of Cubans, especially the women, elderly people and children who died in the huge concentration of peasants at the end of the last war for independence. They were killed with the sole objective of preventing them from supporting the Mambi Army. We will never forget that Marti gathered penny after penny the money for the Tampa and Key West [word indistinct] to carry out the necessary war. This same gesture was repeated again before the assault on the Moncada Barrakcs, when many compatriots even sold their personal properties to contribute to the just cause they defended.

We will never forget either that the U.S. invading troops denied the Mambises entrance to Santiago de Cuba, the same ones who later dissolved the Mambi Army and organized an army of rural guards, which was no more than an occupational force of their own country at the service of the neocolonial interests of the new Yankee occupational power.

Nevertheless, we will always remember that on 1 January 1959, exactly 60 years after the (?recruitment) of the first Yankee soldiers in Havana, the rebel army founded and directed by Fidel, represented by the guerrilla columns commanded by El Che and Camilo made its glorious entrance to the capital. Seventy-two hours later, the army of the tyranny — which killed, tortured, and beat up workers and students, while our peasants suffered a similar treatment, in addition to forceful evictions — was totally disarmed.

Another important date, among many others, which we will always cherish in our memory was more than 15 years ago on occasion of the second congress of our party. Osvaldo Diaz Gonzalez, a carpenter from Pinar del Rio, with simple and emotional words proposed to the people the patriotic gesture of contributing voluntarily to cover part of the defense expenditures. More than the financial value of that contribution — which is not a small amount — was the creation of a revolutionary awareness of the Cuban people, who have fully proven their willingness to give more, even their lives, to defend their homeland.

Despite the reality of the world that surrounds us, with an Empire that has not given up its attempts to subjugate us, and knowing the difficulties and shortcomings the vast majority of Cuban patriots are facing, it is vital that we continue giving those donations given the enormous political importance of this gesture.

During the years since Osvaldo's proposal until 1995, the total income from the people's contributions for defense expenses totalled 424.6 million pesos, of which the labor movement contributed with 327.4, which represents 77 percent of the total, distributed annually as follows: 1981: 22.1 million; 1982: 5.5 million; 1983: 19.4 million; 1984: 20.5 million; 1985: 22.6 million; 1986: 19.8 million; 1987: 21.1 million; 1988: 21 million; 1989: 22.5 million; 1990: 24.1 million; 1991: 28.7 million; 1992: 26.2 million 1993: 27.3 million; 1994: 24.3 million; 1995: 22.3 million.

It was not until 1983 that mechanisms were established to reorganize this collection system. That is why the figures provided for the first two years were inconsistent. Starting in 1983, donations have been stable with logical fluctuations. We must note that the highest amounts were collected precisely during the special period years. The expenses incurred during these years for the training of the Territorial Troop Militias [MTT] reached 523.5 million pesos and the breakdown is as follows:

Purchase of weapons, communication equipment, uniforms, and spare parts, 195.4 million pesos; study supplies and other training material, 253.9 million pesos; purchase of equipment for reserves, 41.1 million pesos; construction, remodeling, and supplying of schools for defense training, 33.1 million pesos.

To put it in a different way, the people's voluntary contributions allowed authorities to cover during this stage an important share of what was invested in the training of the militiamen, which included significant expenditures, all for the sake of our defense.

It is important to note that to provide solutions for the situation created over the last few years and based on the concept of the war of all the people, the FAR organized and carried out an extensive program, which along with other measures adopted in 1991, allowed for a reduction of forces by more than 100,000 permanent troops and by a significant number of reserve members without weakening their training, commitment, and fighting capability.

The logical correspondence that must exist between defense expenditures and the country's economic capabilities as well as the development of our own military concepts led to a gradual reduction of the time used for the training of our personnel, both from our regular forces and reserves as well as from the MTT, which allowed us to attain the same objectives in less time.

The results obtained in the preparation of our personnel, which could be seen at the recent military exercises and maneuvers held in the various parts of the country, are an example of the high degree of preparation of our units and of the cohesion attained by the Defense Councils at the various levels.

The concept of the war of all the people, which establishes that every Cuban willing to fight should have a means, a place, and a way of fulfilling his sacred duty to defend the fatherland, is still valid. We base our fighting capability and strength on the people's participation. That is why our enemies are trying to instill negative attitudes among citizens when it comes to their preparation for the country's defense.

We could say that 75 percent of the personnel making up the regular units and the MTT are meant to be used during wartime. This means millions of Cubans have to train and, in many cases, must adapt to their ever-changing specialties and weaponry.

This is very costly, not only in material resources but also in time and effort spent by our fellow countrymen in their free days and hours of work and study. That is why we are forced to use this valuable time in a more efficient manner in order to better train our personnel.

The level of defense preparation attained by the population, along with the measures that have been adopted in advance, have allowed us to say that despite the reductions that we were forced to carry out, we maintain a high defensive power.

We have sufficient weapons, and in Cuba we can say that weapons are in the hands of the working class and the rest of the people. These are located in their factories, universities, and other installations and are well protected in thousands of kilometers of underground works [obras soterradas], which we have built throughout the country, including the people's tunnels with which the people have directly participated.

Moreover, the FAR have military enterprises that guarantee the production of the country's weapons and the modernization of combat techniques, because our defense and workers have this fundamental task to perform.

In sum, if we want to continue being independent and sovereign, we must continue to do what we have done up to now for the country's defense, for which we need the decisive support of workers in each defense-related task.

In addition, the more we prepare ourselves for the war of all the people, the less likely it would be for us to have to liberate it, because the strategists of the empire will have to reflect on the unpayable costs of an invasion of Cuba.

We must remember that the commander in chief, during his report to the first congress of the party held in December 1975, said that as long as imperialism exists, the party, the state, and the people will grant defense services their maximum attention. He added that the revolutionary guard will never be down, because history has clearly shown that those who forget this principle do not live to talk about their mistake.

These last six years and the unipolar world in which we are living have clearly demonstrated the truthfulness and permanent prevalence of that statement made by Comrade Fidel.

Today we can tell our workers that this principle has always been present and that it was proven by the heroic internationalist missions carried out by more than 300,000 Cubans who demonstrated the level of preparation they had reached.

Today, despite the difficult moments we have lived in the last few years, the people are better prepared for the defense of their independence and sovereignty, of their revolution, and of their socialism. That is why we can say that if some day our enemies decide to come here to impose their so-called democracy, they will find a very hard nut to crack, not only because they will have to face the Armed Forces, which are nothing more than a small, professional armed vanguard, but because they will have to face millions of men and women, who are ready to make them pay dearly for their mistake.

The message for the imperialists is extremely clear: It is better for you to continue taking these things well into account.

Signed by Osvaldo Diaz Gonzalez, retired worker, and Army General Raul Castro Ruz.

Cuba: Parliamentarians Called To Work for Integration

PA2405193196 Havana PRENSA LATINA in Spanish 2227 GMT 23 May 96

[FBIS Translated Text] Havana, 23 May (PL) — Cuba has called Latin American and Caribbean parliamentarians to join forces in reaffirming sovereignty and working for the region's true integration.

A National Assembly of the People's Power [ANPP] (Parliament) source told PRENSA LATINA that the call was made in a document sent to all legislative assemblies of the area, inviting members to participate in a meeting of parliamentarians who favor sovereignty and integration.

The call for the meeting to be held 14 and 15 June was signed by ANPP president Ricardo Alarcon and Jose Balaguer, head of the international relations department of the Communist Party of Cuba's Central Committee.

According to the document, Latin America and the Caribbean face a great challenge now that the 21st century approaches: The countries of the subcontinent need to be reinserted into the world economy.

Nevertheless, this process, under the terms imposed by industrialized countries, involves a human price that threatens to provoke social outbreaks of incalculable consequences, the document added.

Later, the document says that this contradiction affects the operation of political institutions to the point that it provokes [Item incomplete as received]

Cuba: Authorities Foil 15 Drug Trafficking Operations

PA2405191796 Havana PRENSA LATINA in Spanish 1342 GMT 24 May 96

[FBIS Translated Text] Havana, 24 May (PL) — The Cuban authorities, in ratifying their commitment to fight drug trafficking through its borders, reported that so far this year they have foiled 15 drug trafficking operations involving foreigners.

Jose Ramon Olano, chief of customs at the Jose Marti International Airport in the capital, says that this proves the Havana government's strong position against world drug trafficking, according to a report by local station Radio Rebelde.

Olano also disclosed that his team prevented the illegal export of some 200 works classified as part of the national heritage and hundreds of counterfeit tobacco boxes.

The state commission tasked with fighting drug trafficking and the consumption of drugs and psychotropic substances, recently announced it had incinerated more than 600 packets of marijuana, illegally introduced to Cuba between April and December 1995.

The destruction took place in the ovens of the Candido Gonzalez sugar mill, just over 500 km from Havana, consistent with the government's commitment to cooperate with international agreements and laws, of which Cuba is signatory to.

Cuba: Labor Minister on New Self-Employment Regulation

PA2405131396 Havana Radio Rebelde Network in Spanish 1700 GMT 20 May 96

[Report on Labor and Social Security Minister Salvador Valdez commenting on new regulations governing self employment by Correspondent Demetrio Villaurrutia; from the "National Radio News" — passages within quotation marks recorded]

[FBIS Translated Text] [Villaurrutia] If you are a self-employed worker, you must know that the new regulation governing this activity — in all of its forms — will be enforced beginning 1 June. The document synthesizes previous Labor and Social Security and Finance and Prices Ministries' resolutions. The objective is to consolidate self employment through legal entities that will contribute to organization, discipline, and improvement of the activity's operation. The new regulations empower the provincial administrative councils to eliminate or add new self employment activities, with prior authorization from the corresponding labor and social security organizations. Let us hear from Labor and Social Security Minister Salvador Valdes.

[Valdes] "Among the new issues is the option given to the administrative councils to suspend some self employment activities that are authorized in this regulation, after having consulted with the Labor Ministry, because it has the faculty in this country to eliminate or add new professions. This means that in any given province, the administrative council, if it so chooses, can say that such and such an activity is not needed here because these services are covered by state services. Well, we [pauses]... They are not convenient or necessary. This is one of the new issues contained in the regulation."

[Villaurrutia] To begin with, Joint Resolution No. 1, 1996, adds five new self employment activities and specifies the payment of a minimum monthly quota for all activities in general.

[Valdes] "The approved activities [words indistinct] the self employed worker providing the product or service and the commercialization of what is produced or services rendered by those whose function was not outlined before, will now be known as producer-seller [productor-vendedor] or manufacturer-seller [elaborador-vendedor]. The — how do you call them — intermediaries are not authorized to perform self employment activities. From the point of view of the [word indistinct] it is a big problem. That is what is happening here in the — what's its name — the [word indistinct]. A group of people are using handicapped [pauses] ... they are interlopers. Intermediaries are not authorized in self employment activities."

[Villaurrutia] What is the code of conduct that self-employed workers must observe? The answer is contained in the new regulation.

[Valdes] "One thing that we want to point out is that in the new law there are no intermediaries. At this time, what we have specified, regarding self employment, is that there are no intermediaries. The person who produces is the one who must sell. Whoever produces must market his products. This is a concept that must be very clear".

[Villaurrutia] Self-employed workers must ensure the following, among others: They must bear and show their certification when asked; they must directly market the products they produce or the services they render; they must allow people who are duly authorized the access to carry out verifications and other inspections.

[Valdes] "There is an important new issue in the regulation that determines the code of conduct to be observed by self-employed workers. The previous regulation that we had did not establish this. Now, this new regulation does establish these codes of conduct. When someone is obtaining his permit, he must sign a document pledging [acta de compromiso] to comply with the code of conduct, standards that must be observed by self-employed workers."

[Villaurrutia] Currently, over 200,000 people are self employed in Cuba.

Haiti

Haiti: IMF Official Meets With Preval, Parliamentarians

PA2405233896 Port-au-Prince Signal FM Radio in Creole 1130 GMT 24 May 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Excerpt] A verbal agreement on establishing a structural adjustment program has been reached between the IMF and the government of the Republic, according to Michel Camdessus, general director of the IMF, who is in Haiti now.

The agreement will be (?signed) between now and the end of the month of June, according to Camdessus, who talked to several journalists following a 90-minute meeting with Haitian President Rene Preval, Prime Minister Rosny Smarth, and several members of the Haitian Government at the National Palace.

The Haitian authorities have agreed on the need to set up mechanisms for reform in the Haitian economy, Camdessus pointed out. [passage omitted]

For his part, President Rene Preval reiterated before the press on 23 May the willingness of his government to make economic reforms in Haiti, while explaining that it is Haiti's only chance.

[Begin Preval recording] I am telling you clearly that Haiti is experiencing — I am repeating — an extremely difficult situation. It is even difficult for us to pay state servants. You see that the southern city halls are closed, the Communal Section Administration Council members do not get paid, and there is a strike at the hospital because the employees do not get paid.

We are experiencing a difficult situation. We have one last chance. We must take courage with both hands, so we can take a chance and get out of our current deadlock. [end recording]

We must take this chance so we can get out of this deadlock, President Rene Preval said. He met on 23 May at the National Palace with IMF General Director Michel Campdessus and representatives of the Inter-American Development Bank. He added that he would also meet with several other international sponsors.

Before leaving Haiti [as heard] Minister Camdessus met with Haitian parliamentarians the night of 23 May. Chamber of Deputies President Fritz Robert Saint-Paul reported on what was discussed during the meeting.

[Begin Saint-Paul recording] He says when enterprises are managed by the private sector, even when profitable in the hands of government, they will be even more profitable in the hands of the private sector. There were divergences on that score.

Furthermore, he talked to us about 181 countries in which the model has been successful. We wanted him to give us some examples. He cited Peru, Bolivia, and Chile.

We contested these examples, as we showed that it was at the expense of great sacrifices that Peru.... [pauses] We can say they had a policy of strangulation, as they were obliged to dissolve Parliament, limit individual freedoms, suspend all constitutional guarantees, gag the press, and follow a policy of savage repression, just as in Bolivia and Chile. [passage omitted] [end recording]

These were the statements of Chamber of Deputies President Fritz Robert Saint-Paul on the meeting with IMF General Director Michel Camdessus.

Camdessus will leave Haiti today and said that the objective of his visit is to see what the best means for the international community to help Haiti are.

The general director of the IMF said that the Haitian Government is there to propose a program aimed at boosting the country's economy.

During his visit to Haiti, the IMF official met with several high-ranking officials in the Haitian Government. Camdessus said that his visit to Haiti falls within the scope of the agreement that was signed with President Rene Preval, while the latter was visiting Washington.

Michel Camdessus announced in Port-au-Prince on 23 May that he had already reached a verbal agreement with the Haitian head of state on the question of economic reforms in Haiti.

Haiti: Cuban Delegation Discusses Privatization

96P20424A (Internet) Haiti Online in French 22-23 May 96

[FBIS Summary] A Cuban delegation on a fact-finding visit to Haiti has met with Haitian legislators to discuss economic issues such as Cuba's experiences with privatization and modernization. Meanwhile, National Assembly members continue to express their views on privatization. Deputy Alix Fils-Aime said that while he is not against privatization, he needs further explanation on the topic. Senator Madestin, however, said he is opposed. Delegates to an Aristide Foundation for Democracy Congress held in Marigot on 18 and 19 May rejected privatization. Participants included Senators Newton Jeudi and Mehu Milius Garcon.

Haiti: Conacom Criticizes Preval's First 100 Days

96P20424B (Internet) Haiti Online in French 22 May 96

[FBIS Translated Text] President Kene Preval's days have been analyzed by most of the political parties. Conacom (National Congress of Democratic Movements), in criticizing the Haitian chief of state's accomplishments thus far, bases its comments on Preval's inauguration speech on 7 February 1996. As far as Conacom is concerned, Preval has not fulfilled his promise to restore the state's authority. Conacom accuses Preval of being president, minister, and chief of service, all at once, in view of the fact that President Preval personally delivered passports to the Immigration Service. With regard to corruption, Concacom's Victor Benoit notes the administration's weaknesses in the struggle against corruption, particularly the affair of the small planes. Benoit also notes that former President Jean-Bertrand Aristide continues to travel in a vehicle with a No. 1 licence plate. Conacom asks if this is an indication of the restoration of the state's authority?

Mexico: Deputies Question Secretary on Accords With U.S.

PA2505140996 Mexico City LA JORNADA in Spanish 24 May 96

[Article by Oscar Camacho and Elena Gallegos — received via Internet]

[FBIS Translated Text] The National Defense Commission of the Chamber of Deputies will ask National Defense Secretary Enrique Cervantes Aguirre for more information about the military cooperation agreements between Mexico and the United States and said that all exchanges of this type with any country, especially with our northern neighbor, be carried out by fully respecting the country's national sovereignty.

As for the cooperation in the fight against drug trafficking, the full session of that legislative commission said it is important to specify that the handling, use, and definition of criteria for the use of the equipment that is to be sent should be up to the Mexican Armed Forces and other Mexican entities to determine.

The commission held its full session in San Lazaro yesterday. Following the session, the commission's president, Luis Garfias, Deputies Carlos Navarrete and Cuauhtemoc Sandoval of the Party of the Democratic Revolution, PRD, and citizen legislator Tonatiuh Bravo Padilla held a news conference to report on what was discussed.

Garfias gave a summary of the points that were discussed by the deputies of all parties at the meeting: First, they talked about the deaths of Jorge Luis Arroyo Rodriguez, an officer of the presidential staff, and of Jorge Torres Mondragon, an officer of the Information and National Security Center.

In this regard, they agreed that these are criminal cases and that the proper authorities should carry out the investigations.

"We later talked about the report we received from the Foreign Relations Secretariat about agreements reached between the Mexican and U.S. Armed Forces: one on military training, thanks to which 15 Mexican officers are taking courses in that country; another for the fight against drugs; another to help in the modernization of our antidrug equipment; and finally, one on assistance in case of disasters, which is also very old," he said.

Reporters asked Garfias if the Mexican Government will have to inform the United States about how the equipment will be used. General Garfias said the equipment has not arrived yet and mentioned the remarks made on the helicopters by Jesse Helms, "the senator who has always attacked Mexico."

— Do you think the support given to Mexico by the United States is preconditioned?

— Legislators still do not have details about the agreement, but they believe there will be no preconditions and that one of the purposes of the agreement is to safeguard the sovereignty of both nations.

It was then that PRD Legislator Navarrete said that among the "most urgent and delicate" matters being examined by that commission are the relations with the United States and as for the modernization of the antidrug equipment, "certain members are concerned about the material not being used exclusively for that purpose, therefore, we will be very cautious in making sure, when the equipment arrives, that it will be used for that struggle, which we are convinced should be strengthened."

Bravo Padilla insisted that in the antidrug struggle the cooperation should strictly respect Mexico's national sovereignty and right to determine the criteria to use the equipment sent here.

As for this point, Cuauhtemoc Sandoval said the National Defense Commission will request a meeting with Cervantes Aguirre, as well as with Foreign Relations Secretary Jose Angel Gurria, so that they can provide more information about the signed agreements.

"I believe the Chiapas conflict is on everyone's mind, but General Garfias has been very specific in pointing out that when the helicopters arrive they may only be used for the fight against the drug traffickers and not in that conflict because society wants the conflict to be resolved through a dialogue and reconciliation," he said.

Finally, someone asked for the umpteenth time about the participation of members of the presidential staff in the electoral campaigns as bodyguards of the PRI [Institutional Revolutionary Party] candidates (they especially remembered the events in Lomas Taurinas where PRI presidential candidate Luis Donaldo Colosio was assassinated), and for the umpteenth time General Garfias said he disagrees with the idea of using presidential staff officers as policemen.

Garfias, Navarrete, Bravo, and Sandoval all remembered the latest reforms made to the law on military discipline, which clearly establishes that no member of the Mexican Armed Forces may be used for duties other than those stipulated by law. In addition, they may not participate in electoral political campaigns or obey orders from their superiors involving the violation of human rights.

The law does not mean the right of the military to vote is not guaranteed, they said.

Bravo Padilla insisted that if the Government Secretariat agreed to provide protection to candidates of certain posts it will have to form a special group, but it may never be able to do it through military institutions as it has been doing up to now.

Mexico: Foreign Secretary Remarks on Helms-Burton Law

PA2405185796 Mexico City Radio Red Network in Spanish 2300 GMT 23 May 96

[Report on interview with Foreign Relations Secretary Jose Angel Gurria by reporter Jose Gutierrez on 23 May; place not given; from the "Night Monitor" newscast]

[FBIS Translated Text] [Announcer Martin Espinosa] A few days ago, there was issue that has caught international attention. It is an issue that has to do with the Helms-Burton law, which is a famous law the U.S. Congress approved in an effort to toughen the commercial embargo on Cuba and, above all, to punish those countries that maintain commercial relations with and make investments in Fidel Castro's regime. This morning, Jose Gutierrez talked to Foreign Relations Secretary Jose Angel Gurria, who said that there are mechanisms, albeit incomplete, to attempt to offset such laws described as extraterritorial. In other words, these laws are enforced in a country such as the United States, the government of which intends to extend them to other nations even if it goes against the policies of other countries, like Mexico. This is what the Mexican foreign secretary said:

[Begin recording] [Gutierrez] Regarding this issue, what is the Mexican Foreign Secretariat doing to be able to counter this situation?

[Gurria] On 28 May, we will hold a second round of negotiations regarding NAFTA consultations that Mexico and Canada asked the United States to exactly learn who intends to implement and eventually enforce this law. According to the law's third article, American companies or former Cuban citizens who have become U.S. citizens cannot take legal actions or file lawsuits against Mexican companies prior to 1 November. Article 4, however, authorizes the U.S. Government to prevent the entry of people linked to companies that, I quote, are trading — this means purchasing, selling, conducting businesses, owning stock, and others — with, I quote again, confiscated property, which is, those properties U.S. citizens or former Cuban citizens who are now U.S. citizens are demanding from the Cuban Government. It confiscated them during and after the revolution.

Then, what we do not know now is the interpretation of the law, whether it is a broad or restricted interpretation; whether this Article 4 is indeed going to be enforced, which is the only article that could be enforced at this time; and whether it is going to enforce it in a general or limited fashion. What we know so far is that, perhaps in a few days, in a couple of weeks — definitely after the consultations — certain letters, which we would call warning letters, could be sent to various companies throughout the world. Pepe, recall that this problem involves the entire world. When I say the entire world, I am referring to those countries that conduct business with Cuba and are having problems with the United States. This problem definitely pits it against the entire world: Europe, Canada, Japan, Mexico, and others.

[Gutierrez] Is there any international legal institution that could put a limit to this U.S. intention?

[Gurria] There are several institutions, none of which is completely effective because they cannot fully resolve the problem. There is one in Canada and another in England. They are called blocking statutes [previous two words heard in English]; literally speaking, they are statutes opposing the blockade and its extraterritorial concepts. In other words, the Helms-Burton law is an American law that intends to adversely affect other countries' companies. This is the case. These statutes stipulate that no Canadian or British company can give information on this matter to the Americans and cannot accept any ruling by a U.S. Court. In addition, if they do accept these rulings and if they enforce this law, the laws of their own country will punish them.

[Gutierrez] Mr. Secretary, specifically whom would one would have to convince to somehow reject this Helms-Burton law?

[Gurria] Right now, the enforcement of the law and the relations with those likely to be adversely affected is in the hands of the State Department, particularly, we understand, the Inter-American Affairs Assistant Secretariat, which is determining to what company the first letter would be sent.

As I said, these are just rumors and information overheard in halls. There is no official report, because we understand, Pepe, that, given the nature of the law — as you know, it was quickly approved a few days after the incident with the planes in Cuba — it is unadvisable for the State, Commerce, Treasury, and Justice Departments themselves. Last year when this law was attempting to pass Congress for the first time, Secretary Warren Christopher sent a long letter to the U.S. Congress listing all the reasons why this law was unadvisable. This letter is still fully valid. [end recording]

[Espinosa] These were excerpts of what Foreign Secretary Gurria told Gutierrez this morning.

Mexico: Businessmen View 'Imperial' Helms-Burton Law

PA2705212496 Mexico City NOTIMEX in Spanish 1733 GMT 27 May 96

[FBIS Translated Text] Mexico City, 27 May (NOTIMEX) — Representatives of the Mexican private sector have protested to the Organization for Economic Cooperation and Development (OECD) over the application of the Helms-Burton law, which affects companies that have invested in Cuba.

Carlos Abascal, president of the Employers Confederation of the Mexican Republic (Coparmex), said a letter was sent in response to a U.S. "ultimatum" to Mexican companies urging them to withdraw their capital from the Caribbean nation.

In an interview with the local newspaper LA JORNADA, the business leader described as "infuriating" the use of "imperial force" to make them withdraw operations from Cuba within 45 days, as established by the Helms-Burton law.

This piece of U.S. legislation, which was approved by the Congress and ratified by President William Clinton in March, has intensified the commercial embargo on Cuba and on all third country companies maintaining businesses in that country.

Abascal stated that the arrogance of the Helms-Burton law is unacceptable, and he added that the issue is not how many will be affected, but "to prevent establishment of a precedent."

According to this legislation, one of the first measures is that the U.S. State Department will selectively deny entry to the United States to Mexican businessmen and their families who maintain businesses in Cuba.

The Coparmex leader pointed out that Mexican businessmen do not even remotely agree with the regime imposed by Fidel Castro in Cuba, but they will not accept "U.S. arrogance" reflected in the application of extraterritorial punishment either.

He added that local businessmen have no other option than to support the Mexican government's decision, and thus, they complained about this law to the OECD.

The Mexican Government's plan includes analyses and actions, and the private sector is participating in order "to implement the strategies agreed upon," he added.

Mexico: Businessmen on 'Interventionist' Helms-Burton Law

PA2605185896 Mexico City REFORMA in Spanish 24 May 96

[Report by Yadira Mena, Fabian Munoz, and Dulce Ruiz de Chavez — received via Internet]

[FBIS Translated Text] The business sector has rejected the Helms-Burton law and noted that no case justifies the United States to hurt third countries.

The president of the Business Coordinating Council, Hector Larios, said the problem between Cuba and the United States must be settled between those two countries and not affect third countries like Canada, the United Kingdom, and Mexico.

Coparmex [Employers Confederation of the Mexican Republic] President Carlos Abascal said the private and the Foreign Relations Secretariat [SRE] is seeking together effective actions to counter the effects of that law.

He said the United States has adopted an attitude that clearly is interventionist and violates international law, since, in the case of Mexico, it is inhibiting the flow of investments toward an area of opportunities that is favorable to it.

Victor Manuel Diaz Romero, president of the Confederation of Industrial Associations [Concamin], said the United States is trying to act as the judge of the world and the private sector demands respect.

Juan Elek, president of the Mexican Businessmen's Council for International Affairs (CEMAI), remarked that the Mexican Government, together with the private sector, must defend the interests of investments made anywhere in the world.

Miguel Jauregui, president of CEMAI's Eastern Europe section, felt that 20 local exporting companies that belong to CEMAI will be affected by said law because they have direct commercial relations with Cuba and with the United States. He said that Mexico is interested in a coordinated defense with Canada and that countries like the United Kingdom, France, and Italy will probably join it.

After meeting with CEMAI representatives and French Foreign Minister Herve De Charette, Foreign Secretary Jose Angel Gurria said the Mexican Government adopted the decision to defend local companies. Gurria and De Charette concurred in rejecting the U.S. law, which they described as a violation of international law.

SRE Legal Consultant Miguel Angel Gonzalez said that in a NAFTA meeting to be held next Tuesday in Washington, Mexico, with Canada's backing, will demand that the White House not promulgate the parts of the Helms-Burton law that seek to sanction companies that do business with Cuba.

He said the legal strategy to defend national interests "is well advanced" and it has the support of other countries that are also irked by the U.S. attempt to enforce a law outside of its boundaries.

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"The United States has adopted an attitude that is clearly interventionist and violates international law, since, in the case of Mexico, it is inhibiting the flow of investments toward an area of opportunities that it sees as favorable." Coparmax President Carlos Abascal.

Mexico: Bancomext Leader on Helms-Burton Law

PA2605120196 Mexico City NOTIMEX in Spanish 2013 GMT 24 May 96

[FBIS Translated Text] Mexico City, 24 May (NOTIMEX) — Enrique Vilatela, head of the National Foreign Trade Bank of Mexico [Bancomext], said today this bank will offer financial and legal support to national businessmen facing possible repercussions of the application of the Helms-Burton law.

The Bancomext general director said it is unknown for the time being whether there will be certain sanctions against national companies. For this reason, he urged Mexican industrialists with businesses in Cuba to remain calm.

Facing the possibility that the United States may limit the granting of visas to businessmen and their families, Vilatela said he is unaware of "what the U.S. Government plans to do" and confirmed that the Mexican Government is acting in an orderly fashion to provide protection for them.

He confirmed that officials from both nations in Washington on 28 May will analyze the scope the Helms-Burton law could have within the North American Free Trade Agreement.

Vilatela said "the Mexican businessman can count on our support from any aspect, financially or legally, in strategy and promotion, as well as in the area of exports."

In March the U.S. Congress approved this law that aims to strengthen sanctions against Cuba and to impose sanctions on third countries that have commercial ties with the island.

In reference to a recent issuance of 10-year securities for $250 million in international markets, he said this is the first time Mexico has issued securities for such a long term in the Euro dollar market. He added that this reflects the opening of markets to Mexico, and even though interest rates are still high, they are lower than in the past, and this has allowed us to lower interest rates on long-term loans.

As for the issuance program for the following months, he said Bancomext plans to issue short- and long-term securities for $332 million in international markets.

Vilatela said that so far this year "we have been very active and have made several issuances with maturities of between five and six years."

Mexico: France To Expedite Investment Protection Accord

PA2405123996 Mexico City REFORMA in Spanish 22 May 96

[Report by Monica Delgado — received via Internet]

[FBIS Translated Text] Paris — The French Government will try to expedite negotiations on a mutual investment protection agreement with its Mexican counterpart, French Foreign Affairs Minister Herve de Charette, who will arrive today for an official three-day visit, told REFORMA in an exclusive interview.

De Charette admitted that the flow of capital to Mexico "is not in keeping with the rank of a number three investing country in the world." He also pointed out that France wants "free transfer of revenues and unconditional international arbitration in case of conflict between the recipient country and the investors," before investing in Mexico again.

"We are putting a great deal of emphasis on the acceleration of these negotiations," said the official, who recalled that representatives from both countries have met twice before to discuss points of the agreement.

"Next, we will propose specific dates for a third meeting in Paris, which will be the last," added de Charette.

To emphasize the thrust that France wants to give to its economic and commercial relations with Mexico, De Charette comes escorted by an influential delegation of businessmen representing companies such as Alcatel, Peugeot, Thomson, Matra, and the SNCF Railroad Company.

During the visit, the French minister will cochair with Mexican Foreign Relations Secretary Jose Angel Gurria the first France-Mexico binational meeting and will meet with President Zedillo.

Among the subjects to be discussed by both foreign ministers are bilateral cooperation in the fight against drugs, disarmament, and UN institutions reform.

Furthermore, De Charette will inaugurate the new French Embassy offices, lay the cornerstone for a new French cultural center in downtown Mexico City, and chair a gathering of French ambassadors to Latin America.

Mexico: French Foreign Minister Arrives for Meeting

PA2405160196 Mexico City EL FINANCIERO in Spanish 23 May 96 p 51

[FBIS Translated Text] French Foreign Minister Herve de Charette arrived in Mexico yesterday to participate, as of today, in the first meeting of the Binational Committee (CB) to promote political, financial, and cultural cooperation between the two countries.

Head of an ample delegation of high-raking French officials and Gaelic businessmen interested in investing capital in Mexico, de Charette will seek to conclude an agreement protecting investment in Mexico similar to agreements France has with 60 other nations.

The CB meeting to be held in Mexico City today and tomorrow is the first since the signing of the 1992 Basic Agreement for Cooperation that went into effect in January 1994.

According to the Mexican Embassy in France, the meeting will help evaluate bilateral relations in the political, cultural, economic, scientific, and commercial areas and will foster new projects for the coming years.

The main function of the CB will be "to define, promote, and follow up on the development of all enterprises of mutual interest, to coordinate the actions of the existing commissions operating within the 1992 agreement, and to evaluate the execution of the agreement."

A number of agreements on various issues will be signed during the meeting de Charette and Mexican Foreign Secretary Jose Angel Gurria Trevino will cochair.

Among other issues, the main agreements to be discussed concern the protection of French citizens' investments in our country and of Mexican investments in France, to guarantee the repatriation of profits, and to open doors for international types of arbitration.

The signing of an agreement to eliminate visas is foreseen in an attempt to stimulate the flow of tourists. This agreement should go into effect in a few months.

In 1986, an agreement on eliminating visas for tourists of the two nations was being negotiated, but because of the attacks that took place in France this summer, the French Government decided to require visas from 100 countries (including all African and Latin American countries) to control its borders.

In retaliation, Mexico requires visas for all French tourists entering its territory.

France is the only European country that requires visas from Mexican citizens and vice versa.

Mexico: French, Mexican Officials Reject Helms-Burton Law

PA2505140496 Mexico City XEW Television Network in Spanish 0300 GMT 24 May 96

[FBIS Translated Text] In Mexico City, Mexican Foreign Secretary Jose Angel Gurria received his French colleague Herve De Charette. They discussed, among other issues, the bilateral agenda between their countries. They both severely condemned the Helms-Burton law.

[Begin Gurria recording] Mexico has clearly established that we reject the extraterritorial scope of the law, that we feel it violates NAFTA and WTO agreements and that it is contrary to international law.

This has been said by the European countries, Canada, the Group of Rio countries, the Caribbean countries, and some Asian countries. This is a problem that affects all the countries worldwide, but is derived from a bilateral situation between Cuba and the United States, which has had the misfortune of placing all the world's enterprises that have commercial relations with, or investment operations in Cuba in a very difficult position. [end recording]

Mexico: Conference With France Ends With 3 Agreements

PA2505171796 Mexico City XEW Television Network in Spanish 0300 GMT 25 May 96

[From the "24 Hours" newscast]

[FBIS Translated Text] The Mexico-France binational meeting has concluded. In it, commercial and investment interests were reaffirmed, consular agreements were signed, and the Helms-Burton law was criticized.

Improved commercial relations between Mexico and France and criticism of the Helms-Burton law were the main subjects discussed during the Mexico-France binational meeting, which concluded today. Mexican Foreign Secretary Jose Angel Gurria closed the meeting at the Mexican Foreign Ministry. Regarding commerce, French Foreign Affairs Minister Herve de Charette announced his country's commitment to endorse a free

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The main function of the CB will be "to define, promote, and follow up on the development of all enterprises of mutual interest, to coordinate the actions of the existing commissions operating within the 1992 agreement, and to evaluate the execution of the agreement."

A number of agreements on various issues will be signed during the meeting de Charette and Mexican Foreign Secretary Jose Angel Gurria Trevino will cochair.

Among other issues, the main agreements to be discussed concern the protection of French citizens' investments in our country and of Mexican investments in France, to guarantee the repatriation of profits, and to open doors for international types of arbitration.

The signing of an agreement to eliminate visas is foreseen in an attempt to stimulate the flow of tourists. This agreement should go into effect in a few months.

In 1986, an agreement on eliminating visas for tourists of the two nations was being negotiated, but because of the attacks that took place in France this summer, the French Government decided to require visas from 100 countries (including all African and Latin American countries) to control its borders.

In retaliation, Mexico requires visas for all French tourists entering its territory.

France is the only European country that requires visas from Mexican citizens and vice versa.

Mexico: French, Mexican Officials Reject Helms-Burton Law

PA2505140496 Mexico City XEW Television Network in Spanish 0300 GMT 24 May 96

[FBIS Translated Text] In Mexico City, Mexican Foreign Secretary Jose Angel Gurria received his French colleague Herve De Charette. They discussed, among other issues, the bilateral agenda between their countries. They both severely condemned the Helms-Burton law.

[Begin Gurria recording] Mexico has clearly established that we reject the extraterritorial scope of the law, that we feel it violates NAFTA and WTO agreements and that it is contrary to international law.

This has been said by the European countries, Canada, the Group of Rio countries, the Caribbean countries, and some Asian countries. This is a problem that affects all the countries worldwide, but is derived from a bilateral situation between Cuba and the United States, which has had the misfortune of placing all the world's enterprises that have commercial relations with, or investment operations in Cuba in a very difficult position. [end recording]

Mexico: Conference With France Ends With 3 Agreements

PA2505171796 Mexico City XEW Television Network in Spanish 0300 GMT 25 May 96

[From the "24 Hours" newscast]

[FBIS Translated Text] The Mexico-France binational meeting has concluded. In it, commercial and investment interests were reaffirmed, consular agreements were signed, and the Helms-Burton law was criticized.

Improved commercial relations between Mexico and France and criticism of the Helms-Burton law were the main subjects discussed during the Mexico-France binational meeting, which concluded today. Mexican Foreign Secretary Jose Angel Gurria closed the meeting at the Mexican Foreign Ministry. Regarding commerce, French Foreign Affairs Minister Herve de Charette announced his country's commitment to endorse a free

trade agreement between Mexico and the European Union [EU].

[Begin De Charette recording] I wish to take this opportunity to confirm to Mexican authorities that we will follow up very closely the negotiations to open between Europe and Mexico. [end recording]

He dismissed rumors that France objected to a commercial agreement between Mexico and the EU. Gurria pointed out that France's position will be decisive in reaching a commercial agreement between Mexico and Europe.

[Begin Gurria recording] We are convinced that France and most of the EU member countries will continue to regard this agreement as an attractive option and a natural step in the planned concerted effort between Europe and countries from other areas. [end recording]

The French and Mexican ministers signed three agreements, one dealing with cooperation to fight drug traffic, another to waive visas for diplomatic, official, and regular passports, and a third dealing with direct consultation on common matters.

Later, during a news conference, the ministers discussed the U.S. enforcement of the Helms-Burton law against countries investing in Cuba. Gurria said that Mexico and France agreed to create a working group on a diplomatic level to consider the consequences of the Helms-Burton law.

[Begin De Charette recording] It is dangerous for a country to question the rules of international commerce regulations on its own. [end recording]

Gurria said Mexico could imitate Canada and the United Kingdom, who established laws of the blocking status [previous five words in English as heard] type against the Torricelli law.

[Begin Gurria recording] The two countries are considering the possibility of reinforcing and improving themselves to face the Helms-Burton law. Like others, the Mexican Government has been considering such a possibility. [end recording]

Before the joint news conference, an agreement was signed whereby France will participate in the Association of Caribbean States. Later, the Mexican and French foreign ministers met privately in Los Pinos with President Ernesto Zedillo, to whom they reported the results of the binational meeting. The meeting at Los Pinos lasted nearly one hour. At the end of this meeting, De Charette said France attaches special priority to its relations with Mexico and said that the relations between France and Latin America should be reinforced.

Mexico: Environment Cooperation Accord Signed With Cuba

PA2405233696 Mexico City LA JORNADA in Spanish 23 May 96 p 38

[FBIS Translated Text] Environment, Natural Resources, and Fisheries Secretary Julia Carabias and Cuban Science, Technology, and Environment Minister Rosa Helena Simeon yesterday signed an agreement regarding cooperation in environmental and natural resources management sector.

Simeon said that the U.S. blockade of Cuba has affected the environment, and the accumulated losses to the Cuban economy total $40 billion. Among Cuba's problems is its difficulty in acquiring technology that is exclusively retained by the United States.

The areas to be covered by the agreement include biodiversity, handling and sustained use of natural resources, management of protected natural areas, ecological ordering of the territory, and evaluation of the handling of dangerous wastes and its environmental impact.

Mexico: Commission Says 5 Seized Banks To Be Privatized

PA2505204896 Mexico City XEW Television Network in Spanish 0300 GMT 25 May 96

[From the "24 Hours" newscast]

[FBIS Translated Text] Eduardo Fernandez, president of the National Banking and Securities Commission, says that five banks that were taken over by the Mexican Government will be returned to private hands.

Fernandez has reported that the first stage in the reorganization of the Mexican financial system has ended and, consequently, there will be no more bank takeovers.

[Begin Fernandez recording] The present banking system's capital and job-creation potential lead us to believe that in the coming months we will have greater leeway to continue to reorganize the banking system. By this, I mean to continue to improve the banks' capitalization, reserves, and administrations. Anyway, the systemic risk that we faced during 1995 is over. [end recording]

He added that Banpais, Union Cremi, Banovia, and Interstate banks, which were taken over by the Bank Fund for the Protection of Savings, will not be returned to the government's hands.

[Begin Fernandez recording] We must now sell this stock to the public again so the banks can compete normally in the market again. [end recording]

According to an unofficial report, the Capital and Sureste banks have also been taken over. Fernandez said that the programs to assist debtors and help the bank capitalization programs, which were implemented by the Mexican Government, have yielded satisfactory results.

[Begin Fernandez recording] We have succeeded in keeping the leading banks' capital from deteriorating to such an extent that it could jeopardize the banking system in general. [end recording]

He spoke during an interview prior to closing the event Opening an Information and Training Center for Popular Savings Banks.

Mexico: Rights of Illegal Expatriates To Be Protected

PA2405201596 Mexico City LA JORNADA in Spanish 23 May 96 p 18

[Report Jorge Alberto Cornejo]

[FBIS Translated Text] Tijuana, Baja California, 22 May — National Migration Institute (INM) Commissioner Fernando Solis Camara has said that the Mexican Government has initiated a general plan to protect the human rights of Central American illegal aliens arrested on Mexican territory in their journey to the United States, which includes installing a computerized information network to record the influx of migrants in the countries most important airports and immigration check-points.

"These specific actions will allow us to guarantee the integrity of illegal aliens in our country; therefore, giving us the moral authority to protest the violation of our fellow nationals' human rights in the neighboring country to the north," Solis Camara said.

In addition, the program called the National Program for the Protection of Migrants includes the reinforcement of border patrol groups, like the Beta group, which has been operating on the border for six years, and created a mechanism linking Mexico and Central American countries to analyze, through their consulates and embassies in Mexico, all cases of reported abuse by Mexican authorities against foreigners.

This mechanism will allow the countries of origin of illegal aliens crossing Mexico on their way to the United States, to protest against human rights violations, and will improve the process of arrest and deportation of illegal aliens currently existing in the INM.

This system is already in operation with the Guatemalan Government, and in a few days will be implemented with the diplomatic representatives of Honduras and El Salvador.

In addition, Solis Camara told LA JORNADA that the Mexican Government is preparing changes to the Law of the General Population that will allow for more severe sanctions against smugglers of illegal aliens to the United States.

Interviewed at the Mexican-U.S. border, Solis Camara pointed out that at present the law governing the issue allows a smuggler to commute his sentence and be released a few days after being arrested.

Therefore, the Government Secretariat will soon propose to Congress that the penalties which, according to Article 137 of the Mexican laws are currently from 2 to 10 years, be changed instead to 5 to 12 years.

Solis Camara stressed that an average 70 percent of the charges made by the IMN against smugglers are assigned to the Federal Public Ministry. Of these, 70 percent of the smugglers of illegal aliens are officially imprisoned.

However, according to Article 90 of the Mexican Penal Code, when the penalty for the crime is less than 4 years, it can be commuted; therefore, there are many cases of smugglers or illegal aliens that are freed a few days after their arrest.

Solis Camara pointed out that with the revision of the General Law of the Population soon to be submitted to Congress, when an official prison term is sentenced, the smuggler will remain behind bars, and therefore impunity will be effectively fought.

During the present administration, the INM initiated 759 accusation involving 1,250 alleged smugglers of illegal aliens of which 875 were consigned to the Public Ministry and 650 smugglers were given prison sentences.

Solis Camara came to the border to preside, in the neighboring Tecate Municipality, a service in memory of officer Carlos Alvarado, a member of the Alpha group, who was killed Friday 17 May, in a clash with criminals that intended to rob a group of approximately 30 illegal aliens.

The death of 27-year-old officer Alvarado made evident the need to reinforce border patrol groups such as the Alpha group in Tijuana and the Beta group in Tecate. Additionally, Commissioner Solis Camara revealed that all members of these groups will be given bullet-proof vests and all the equipment needed to guarantee their physical safety.

Mexico: Raul Salinas' Ties With Kingpins Bared

96GE0035A Mexico City REFORMA in Spanish 22 May 96

[Article by Ignacio Rodriguez Reyna — received via Internet]

[FBIS Translated Text] Documents from the Attorney General's Office [PGR] and the National Institute To Combat Drugs [INCD] reveal that Raul Salinas de Gortari has maintained connections with drug trafficking chiefs in Mexico, at least since 1987.

Two different official memoranda, of which REFORMA has copies, establish the fact that the ex-president's brother had ties with the Gulf cartel chiefs. They also disclose evidence linking him with the group headed by Joaquin "El Chapo" Guzman.

According to one of the documents, Raul Salinas de Gortari had ensured protection for the group commanded by Juan Garcia Abrego since Carlos Salinas de Gortari's presidential candidacy in 1987.

The text states that, in exchange, Raul Salinas de Gortari received "many gifts" from the Gulf cartel kingpins, through a middleman called "Don Francisco" or "Don Paco," who had "a son working" for the Attorney General's Office. Yesterday, "Don Francisco's" complete name could not be learned precisely.

The document describes three different meetings held by Raul with members of the Gulf cartel, which also were attended by Manuel Munoz Rocha (the ex-federal congressman accused of having participated in planning the murder of Jose Francisco Ruiz Massieu) and several businessmen from Tamaulipas.

In official memorandum SAP/1452/95, dated 30 November 1995, the PGR authorities notified Sir Nicholas Lyell, attorney general of the United Kingdom of Great Britain and Northern Ireland, that, as part of the probes being conducted against Raul Salinas, "investigations are being made pertaining to possible conduct...(involving) illicit enrichment, tax evasion, and money 'laundering.'" The document also requested that official's assistance.

An attached text, translated into English, which was presented in the Mexican courts during the criminal proceedings being conducted against Raul, makes the following statement:

"In May 1987, the informant attended a party in honor of the PRI's [Institutional Revolutionary Party] presidential candidate, Carlos Salinas de Gortari, held at a ranch in the village of Paras, Nuevo Leon.

"Attending the party were Raul Salinas, Augustine Cisneros (representing Juan Garcia Abrego), Juan N. Guerra (Garcia Abrego's uncle), Manuel Munoz Rocha, Ricardo Aguirre Villagomez, Sergio Arguelles, Ramiro Hernandez, Fernando Garcia Hinojosa, and Don Jesus Garza Ruiz."

One of those mentioned, the Tamaulipas businessman and one of Banco Alianza's leading stockholders, Sergio Arguelles, denied the charge. Last night, in a telephone conversation, he claimed: "It is a lie; I was never at that party, never. I do not know any member of the Salinas family, no one; nor have I ever been in Paras."

The other document, establishing indications of links between Raul Salinas and Joaquin "El Chapo" Guzman Loera, who is currently incarcerated at Almoloya de Juarez for drug trafficking, is a report from the INCD.

Dated 4 March 1996, it is addressed to Sergio Casanueva Reguart, the PGR's general director of international legal affairs, and contains the response to the request made of him to provide "any type of information linking Raul Salinas de Gortari to Juan Garcia Abrego, or to any other criminal organization."

In this regard, the INCD notes that, in his statement to the public prosecutor's office, Bartolo Pineda Medrano, a participant in the shooting that occurred at the Guadalajara International Airport, in which Cardinal Juan Jesus Posadas Ocampo was killed, claimed to have met "El Chapo" at the Santa Anita ranch in the State of Jalisco.

Mexico: Migrant Rights Watch Group, Abuses Cited

96P20423A

[FBIS Report] During the recent U.S.-Mexico Interparliamentary and Binational Commision meetings the Government of Mexico announced the formation of a new watchdog group to "prevent violations of the human rights and personal safety of Central American illegal aliens" in the southern Mexico border area. According to the government news agency Notimex, the monitoring group, known as the "Beta-Sur" group, was the result of an agreement signed by Mexico's Interior Secretariat, the National Immigration Institute, and the Chiapas state government. (NOTIMEX 5 May, LA JORNADA 8 May).

The announcement comes at a time when newspaper coverage of migrant rights abuses has focused on deficiencies in Mexican practices as well as those reported in critiques of the United States. A Mexico City REFORMA commentary by former President of the opposition National Action Party Carlos Castillo Peraza likened U.S. handling of illegal immigrants to what U.S. films "present to us as examples of official and unofficial Nazi and Communist barbarism" and then went on to dub as possibly "worse" his own country's treatment of Guatemalan workers in the southern border area (11 April). A LA JORNADA commentary by influential Mexican Human Rights Academy President Sergio Aguayo Quezada cited U.S. policy "harshness" and "arrogance" but also attacked Mexican Government "secret collaboration" with U.S. anti-immigrant measures as undercutting migrants' rights (8 May). A subsequent REFORMA report, based on Interior Secretariat "internal documents" and its own investigation, found government officials as well as private parties guilty of corrupt and abusive behavior in dealing with U.S.-bound Central American illegal immigrants (13 May).

El Salvador

El Salvador: FBI Agents To Investigate Attack

PA2605012296 San Salvador EL DIARIO DE HOY in Spanish 25 May 96 p 4

[FBIS Translated Text] President Armando Calderon Sol announced last night the "immediate" arrival of FBI agents from the United States to investigate an attack on Insurance and Investments, Inc. [Seguros e Inversiones, S.A. — Sisa], an insurance company of which the family of former President Alfredo Cristiani is a majority stockholder.

During a national radio and television network, the president also announced he has met with leaders of political parties to collectively reject terrorist violence.

Calderon urged the citizens to join efforts to defend peace, the state of law, and the democratic institutions.

Remains Analyzed

Meanwhile, experts of the Arms and Explosives Division (DAE) of the National Civilian Police (PNC) inspected the Sisa building yesterday and found some evidence: remains of PVC pipes, metal scraps, and carbon marks on building walls.

So far they have not yet determined what type of explosive was inside the device that partially destroyed the Sisa building the evening of 23 May, but DAE Sergeant Nicolas Miranda said it was apparently a very powerful, industrial, "blasting" type explosive, but it has not been determined whether a C-4 type explosive or a similar kind was used.

After the explosion of a car bomb in the neighborhood of Santa Elena on 25 April, the experts determined that an industrial C-4 "blasting" type explosive exclusive to the Armed Forces was used.

Sergeant Miranda has said that the hole produced by the explosion measures 1.13 square meters and that the shockwave, which had a reach of 150 meters, shattered windows of the four-story Sisa building as well as the windows of nearby buildings such as a branch of Bancasa [Construction and Savings Bank] and three stores at the Plaza Jardin Commercial Center.

According to preliminary tests, the explosive used on the Sisa building differs from the one used in the car bomb in Santa Elena, among other things, in the manufacturing, type, use, and handling. "They are not completely similar," Miranda has said.

Political Parties Condemn Incident

After meeting with President Armando Calderon Sol, the political parties agreed to condemn the incident and to avoid making mutual accusations about the possible perpetrators.

The parties issued a joint statement condemning the incident in which they demanded that the results of the investigation be public domain.

The communique was signed by Ronald Umana of the PDC [Christian Democratic Party]; Ana Guadalupe Martinez of the PD [Democratic Party]; Juan Jose Martell of Democratic Convergence; Salvador Sanchez Ceren and Shafik Handal of the FMLN [Farabundo Marti National Liberation Front]; Rafael Machuca and Rutilio Aguilera of the PCN [National Conciliation Party]; Abraham Rodriguez of the PRSC [Social Christian Renewal Party]; and Juan Jose Domenech of the ruling Arena [Nationalist Republican Alliance]. Arena President Juan Jose Domenech said terrorist attacks aim to scare away local and foreign investments in this pre-electoral period and to create an atmosphere of political instability.

El Salvador: Ex-Army Officers 'Plotting' Against Country

PA2805033296 Paris AFP in Spanish 2224 GMT 27 May 96

[FBIS Translated Text] San Salvador, 27 May (AFP) — On Monday, Deputy and Former Guerrilla Leader Nidia Diaz disclosed that a group of Salvadoran military officers who were removed during the Army purge process, "are plotting against the country's stability."

During a television interview, Diaz explained that several retired colonels and generals recently met with some civilian members of "extreme right groups" in the city of Berlin in the eastern part of the country allegedly to outline the conspiracy details.

According to Diaz, included among the military officers who took part in the meeting was former Defense Minister General Orlando Zepeda, who was linked by a UN commission to the 1989 massacre of six Jesuit priests, and Colonel Francisco Elena Fuentes, who is connected to several cases of human rights violations during the past decade of civil war. "Why does the government not do something, if there are former military officers who were purged from the Army and are now silently gathered at their homes plotting against the country's stability?" asked the deputy member of the Political Commission of the Farabundo Marti National Liberation Front (FMLN).

Diaz stated that the Criminal Investigations Division of the National Civilian Police (PNC) is well aware of the meeting and added that "there is information in the hands of the police that leads one to believe that there are plans to create armed groups to operate outside the law."

The FMLN deputy accused Interior Minister Mario Acosta of being "authoritarian" and of "heading those most extreme and conservative sectors in the country."

"Minister Acosta knows and tolerates those responsible for this situation," Diaz added, in reference to the creation of armed, illegal groups.

The deputy did not rule out the likelihood that the same group of military and civilian "extremists" could be linked to the 23 May bomb explosion at the Seguros e Inversiones building, a firm owned by former President Alfredo Cristiani, and the 25 April car bomb explosion near his home.

Diaz contends that the two attacks, the first to take place since the signing of the peace agreement in 1992, may have occurred due to differences taking place within the government's party, the Nationalist Republican Alliance (ARENA, right wing), whose "extreme right" sector seeks to ouster Cristiani (president during 1989 and 1994) from the party's leadership.

The FMLN deputy recalled that the son of businessman Saul Suster, a friend of Cristiani and former president of the National Telecommunications Administration (ANTEL), is still kidnapped since last year.

Diaz commented that "the kidnappers have not asked for any money, only the removal of the ARENA sector of which the former president is a member. The military knows everything there is to know about kidnapping businessmen, and that is something everyone is aware of," Diaz commented.

The deputy urges all sectors of the country to pressure the government into clarifying the two bomb attack incidents.

Nicaragua

Nicaragua: U.S. Immigration Officials' Arrival Authorized

PA2405221096 Managua BARRICADA in Spanish 24 May 96 pp 7, 8

[Report by Janelys Carrillo Barrios]

[FBIS Translated Text] The Nicaraguan Government has authorized the arrival of U.S. immigration inspectors, and this should take place sometime near the end of May or early June, to set up checkpoints along the border and at the Cesar Augusto Sandino International Airport to "intercept" the flow of illegal immigrants heading toward the United States.

Information disclosed to BARRICADA points out that Cesar Delgadillo, director of the Immigration and Aliens Directorate, and the U.S. consul in Nicaragua, have signed the document of the "agreement." Oddly, the Government Ministry, through its public relations department, has rejected allegations related to "anything having been signed on this."

The source pointed out that the arrival of the U.S. federal agents, who specialize in terrorism, narcotics (DEA), and migration, was expedited due to last week's arrest of 10 Syrian, Jordanian, and Moroccan nationals.

All of the arrested illegal aliens entered Nicaragua traveling from the island of San Andres, arrived at Bluefields carrying no other documents than their personal identification cards, and traveled to Managua through the community of La Costena, where they were arrested by the immigration directorate.

U.S. authorities have expressed concern on this issue since our country is being perceived as a main transit point for illegal aliens and drug-trafficking operations.

Our sources add that the mere fact that such an agreement was signed makes the Nicaraguan authorities the biggest violators of our national sovereignty, because they are allowing U.S. immigration inspectors to directly intervene in the country's domestic affairs.

The inspectors in question will examine the passports of all those traveling to the United States, "something no other country has been allowed to do up until now."

BARRICADA asked the Public Relations Office of the Foreign Ministry about the signature on the document. There, David Silva denied that the government had signed an agreement to allow the arrival of U.S. officers.

Despite the Government and Foreign Ministries' denial, our sources add that, for the time being, the U.S. immigration authorities have only held meetings with Government Ministry officials at the offices of the Senior Directorate [Direccion Superior] and at the U.S. Embassy.

"Eight or nine inspectors will be doing the work that should be done by Nicaraguan authorities, especially the Nicaraguan immigration authorities," said the sources, who added that by next week they should be in charge of operations at the various points, through which illegal immigrants usually pass.

Asked about the matter, the Public Relations Chief of the Army, Captain Milton Sandoval, said the arrival of the inspectors will not adversely affect the military institution because the people they would be replacing are personnel from the Immigration and Customs offices.

Sandoval said, "We only guarantee the protection of our land borders."

Panama

Panama: Drug Trafficker's Extradition to U.S. Approved

PA2405153696 Panama City EL UNIVERSAL DE PANAMA in Spanish 24 May 96 p B12

[Report by Justino Gonzalez Jr.]

[FBIS Translated Text] The Supreme Court of Justice yesterday approved the extradition of Nicaraguan drug trafficker Alfredo Lopez Rodriguez for involvement in a conspiracy to export cocaine to the United States and to launder money.

Lopez was arrested along with Fernando Hernandez Arias, alias Gordo, after an investigation U.S. authorities have carried out.

The decision by Magistrate Fabian Echevers occurred despite several amparos and objections that had been filed against the Panamanian intention of the Foreign Ministry to extradite Rodriguez.

Fernandez Arias was extradited to the United States on 23 April 1996 despite Magistrate Jose Manuel Faundes' objection to the enforcement of this Foreign Ministry measure.

Lopez' extradition was approved on the condition that U.S. authorities pledge not to sentence him to death.

A New Jersey district court wants the two alleged drug traffickers.

According to the Foreign Ministry, about six individuals, including Anthony Williams Rode, Fernando Hernandez Arias, and Israel Murdock, have been extradited in four years.

Although it has not been reported when Lopez will be extradited, unofficial reports state that he could be extradited from a U.S. air base in a few days.

Magistrate Faundes contended that the extradition of Hernandez Arias is illegal because a recourse filed at the Supreme Court of Justice had yet to be decided. He said the Foreign Ministry had exceeded its authority when it executed the extradition.

The drug traffickers had been shipping drugs from Panama to the United States for a number of years.

Panama: President, Minister Galindo Discuss U.S. Relations

PA2805040396 Panama City EL PANAMA AMERICA in Spanish 27 May 96 p A1

[FBIS Translated Text] On Saturday, President Ernesto Perez Balladares flew to Miami, where he met with Foreign Minister Gabriel Galindo, who is recovering from his illness.

Reliable sources told EL PANAMA AMERICA that part of the conversation between the president and his minister dealt with important aspects of the relations between Panama and the United States.

Observers in Panama City pointed out that the foreign minister will probably have to resign and that replacing him would pose a difficult problem, because this position and that of ambassador to Washington are essential to the current Panamanian administration.

Panama: Daily Views U.S. Military Presence at Border

PA2605123596 Panama City EL SIGLO in Spanish 25 May 96 p 4

[From the "Forum" column]

[FBIS Translated Text] The news on the presence of U.S. military units in the Panamanian area bordering Colombia must have left no surprises, only surprised people.

The report that this presence stems from the desire of keeping strict control of the drug-trafficking activities that could take place there smacks of untruth. This section of our border is very large and, more than that, it is naturally protected by an intricate jungle, which for many years deserved the well-acquired nickname: the "Darien Gap."

In addition, observers have not ignored the fact that true drug-trafficking control must focus primarily on consumption centers, because production does not regulate demand and sales; drug consumption is the one that triggers production levels. This is a truth everybody knows, and Americans know that everybody knows.

Seeking other reasons, there are some people who believe that the true reason for these troops' presence could stem from a political objective. It is a message that the United States wants to deliver to the sister nation's president, who is very shaken by the charges lodged against him because of an alleged infiltration of narcodollars in the financing of his political campaign.

As is to be expected, EL SIGLO is unable or willing to guess what the message is and how they want to make Samper aware of Washington's desire regarding his regime. This is why we will leave it to time to offer us an explanation of this mystery, which will probably have serious repercussions throughout the continent.

Panama: Students, Police Clash; University Closed

PA2805031196 Panama City ACAN in Spanish 2232 GMT 27 May 96

[FBIS Translated Excerpt] Panama City, 27 May (ACAN-EFE) — The Rector's Office of the University of Panama ordered the indefinite suspension of classes today following violent clashes between the police and students opposed to an amnesty law, which will be debated in the legislative assembly next week.

According to a University of Panama communique, signed by the acting Rector Rafael Bolivar Ayala, the suspension of classes, the second in less than a week, will continue as of today until further notice is given, because of the "seriousness" of the violent acts that occurred today on campus.

University sources told ACAN-EFE that at least two riot policemen were injured by rocks and other objects hurled by the students, who also injured two people walking by.

The source adds that the students almost lynched two individuals who had supposedly infiltrated among the protesters and had to be put into the custody of officials from the School of the Humanities until it could be determined if they were undercover policemen as the university students claimed they were.

On Tuesday, the Academic Council of the University of Panama will meet to evaluate the situation. As of this moment, the National Police (PN) have not issued a statement regarding the incidents. An official police source, however, told ACAN-EFE that the students attacked them with Molotov cocktails. [passage omitted]

Argentina

Argentina: Camilion on Falklands Independence 'Threat'

PY2705204596 Buenos Aires LA PRENSA in Spanish 25 May 96 p 2

[FBIS Translated Text] Defense Minister Oscar Camilion told his cabinet colleague Foreign Minister Guido Di Tella to keep a weather eye open concerning the UN Decolonization Committee because "the Kelpers' aspirations to self-determination constitute a serious threat." The islanders' intent on becoming an independent state elicited Argentina's strong reaction before the United Nations. The Menem administration substantiates its rejection of the Kelpers' aspirations on the grounds that the Malvinas Islands' "inhabitants have been grafted" onto those islands.

Threat

Camilion said: "In my opinion, it is increasingly clear that the problem of the Malvinas Islands is becoming a serious threat, since, slowly but surely, the Kelpers are working toward independence, and their claim to self-determination so as to become part of the Commonwealth is just a masquerade."

In response to the Kelpers' interest in self-determination — which is supported by London, as LA PRENSA announced on 22 May — the Argentine Government has conveyed — in less than 24 hours — contradictory messages concerning developments regarding this conflict.

On 21 May, the incumbent administration alerted the UK Government to the fact that negotiations pertaining to agreements on fishing and oil exploitation [in the South Atlantic] will be suspended if the claim was made before the UN committee. The following day, Di Tella swerved from his government's determination and announced in Brazil that he will meet with UK Foreign Secretary Malcolm Rifkind in June to work out "a long-term fishing agreement" in the South Atlantic.

The piece of advice given by Camilion — who was a member of the diplomatic corps when he was Argentine ambassador to Brazil from 1977 to 1980 and foreign minister under [President] Roberto Viola [during the military regime] from 1981 to 1982 — is underpinned by the fact that "Argentina ought not to ignore the Malvinas Islands' economy. Argentine diplomacy must be reoriented toward seeking to at least check this dangerous process."

Having denied that "common crimes" like the illegal sale of weapons to Ecuador can shift Latin America's support for Argentina's claim to sovereignty over the Malvinas Islands, the defense minister deemed that "we must keep our eyes peeled for what happens at the [UN] committee meeting this July. The UN has traditionally rejected the colonization of the Malvinas Islands by Britain. Moreover, Argentina's claims before the United Nations have not yet expired." He nonetheless made it clear that "this will entail a tremendous effort on our part."

Di Tella, for his part, declined to make any comments on the remarks made by Camilion, who is still enveloped in a sheet of flame following the conflagration caused by the illegal arms deal.

Discrepancies

A high-ranking source close to the Foreign Ministry quoted by the news agency DIARIOS Y NOTICIAS (DYN) on 23 May revealed that Argentina will oppose any attempt by the Kelpers to modify the terms of the resolution, which the UN Decolonization Committee usually passes on this subject.

The source contended: "It is one thing to defend the right to self-determination before the Committee (known as 'the 24-men's committee') and quite a different thing to have the intention of modifying the resolution which every year exhorts Argentina and Britain to negotiate a peaceful settlement of their dispute."

The source thus responded to the charge d'affaires of the UK Embassy in Buenos Aires, David Reddaway, who argued that "the islanders want the resolution approved by the Committee to acknowledge their right to self-determination."

Adopting a stance similar to that of the Foreign Ministry source, the defense minister defended the need "to make every endeavor on the diplomatic front to prevent this. The Kelpers' march toward independence is not something inexorable. We are in the face of a serious threat, but it may be headed off and we are on the right track." This notwithstanding, Camilion warned: "If London encourages the Kelpers' initiative, negotiations will become really difficult."

Argentina: Menem Says Di Tella Falklands Policy 'Good Job'

PY2505034096 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1838 GMT 24 May 96

[FBIS Translated Text] Corrientes, 24 May (TELAM) — Argentine President Carlos Menem on 24 May confirmed that Foreign Minister Guido Di Tella will remain in his post, adding that "the seduction policy" toward the kelpers, to ensure that Argentina's sovereignty over the islands is recognized, is "not bad."

Menem discussed Di Tella's situation and Argentina's stance toward the United Kingdom during a news conference at the Air Force base in Camba Punta, 12 km from Corrientes.

"Foreign Minister Guido Di Tella will remain by my side during this administration as long as I am part of it, unless there is something unexpected, or something happens to him — which I hope will not be the case — so for the time being no change is likely," Menem stated.

Talking about the Malvinas [Falkland] Islands, Menem underscored that "our negotiations with the United Kingdom were positive. We resumed diplomatic relations and we are signing very significant and interesting agreements."

He explained that "the contracts to prospect for and exploit oil in the South Atlantic are meaningful steps toward the recovery of Argentine sovereignty over the Malvinas Islands because problems crop up and get resolved."

The chief executive indicated that the fishing agreement between Argentina and the United Kingdom "may be signed before the end of the year, or at the beginning of next year."

He explained that as far as "the seduction policy — I mean seduction in quotes — is concerned, I believe that he (Di Tella) is doing a good job. At one point, it had been very positive; then it declined somewhat, and now we are trying to move forward."

He said that the Foreign Ministry's policy toward the Malvinas residents "is not bad."

Argentina: Spanish Trawler Caught in Argentine Waters

PY2505025196 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2141 GMT 23 May 96

[FBIS Translated Text] Puerto Madryn, 23 May (NA) — An Argentine Navy frigate on 23 May intercepted a trawler flying the Spanish flag while fishing for hake in Argentine jurisdictional waters.

The frigate Granville is escorting the Spanish trawler Arnelles to Puerto Madryn, where it is expected to arrive at noon on 24 May. Once the trawler docks in Puerto Madryn, it will be up to the Argentine Coast Guard to file a claim against the Spanish fishing company that owns the ship.

The Spanish trawler belongs to the Viqueiro de Vigo Company and, according to the Coast Guard, it had been fishing in Argentina's exclusive economic zone. The trawler is carrying a crew of 29. It is not known how much hake it has on board.

Argentina: Federal Judge Indicts Colonel in Arms Scandal

PY2705185496 Buenos Aires TELAM in Spanish 1546 GMT 27 May 96

[FBIS Translated Text] Buenos Aires, 27 May (TELAM) — Federal Judge Jorge Urso today indicted Colonel Edberto Gonzalez de la Vega, director general for business coordination of Military Industries, for his involvement in the alleged sales of arms to Ecuador while the latter country was fighting with Peru.

Court sources indicated that the judge accused Gonzalez de la Vega of forging public documents and attached his assets for up to 400,000 pesos [$400,000].

Argentina: Second State Reform Decree Issued

PY2505035596 Buenos Aires TELAM in Spanish 2334 GMT 24 May 96

[FBIS Translated Excerpt] Buenos Aires, 24 May (TELAM) — The executive branch issued today a regulatory decree that will set the second reform of the state into motion. This reform seeks to reassert the incumbent administration's economic policy within the framework of a State Modernization Program.

The decree comprises five chapters; namely: 1) Organization; 2) Functions; 3) Deadlines; 4) Per Diem and Purchases; and 5) General Regulations.

In the preamble of the decree ordering the state reform — which will be undertaken by the Office of the Chief of Cabinet — the executive states that "the measures hereby adopted are geared to reasserting the federal government's policy — which has been upheld since its inception — to the effect of instituting substantial changes to strengthen the undeniable functions of the state."

The decree made public by the Office of the Chief of Cabinet states, moreover, that "those functions that can be adequately fulfilled by the private sector and that further its competitiveness are eliminated."

The decree further states: "In pursuance of the process of state reform and modernization, which was initiated in 1989, it is imperative that a complete review of the regulations that still govern that process be undertaken by selecting and using the appropriate tools to achieve greater efficiency, efficacy, and transparency in the administration."

In addition, it indicates that "furthermore, and pursuant to the objectives of the reform of the state, the system regulating wage scales will also be reviewed, making career and remunerations conform to equitable criteria."

The preamble of the executive decree contends, moreover, that "in order to carry out these tasks, the establishment of a unit coming under the jurisdiction of the Office of the Chief of Cabinet is deemed necessary. The essential role of this unit shall be to conclude the state reform process and to draw up a State Modernization Program, which will constitute the second stage of this reform process."

"Such unit shall comprise a Consultative Council in which the administrative areas whose jurisdictions are related to the functions of said unit will be represented. Representatives of the trade unions and the public sector will sit on this council," it adds. [passage omitted]

Argentina: JCS Head Says Armed Forces Overhaul Essential

PY2705170596 Buenos Aires TELAM in Spanish 1128 GMT 25 May 96

[FBIS Translated Text] Buenos Aires, 25 May (TELAM) — In the opinion of Lieutenant General Mario Candido Diaz, chairman of the Joint Chiefs of Staff [JCS], the restructuring of the Armed Forces envisaged by the federal government within the framework of the second reform of the state is of utmost importance. Following a ceremony held today to commemorate the 186th anniversary of the May Revolution, Lt. Gen. Diaz stated that the rationalization of the Armed Forces is of "paramount importance for the entire national defense system." The ceremony was held at the Defense Ministry at 0745 today, and was presided over by Defense Minister Oscar Camilion.

The chairman of the Joint Chiefs of Staff argued: "The Armed Forces deem that the deep process of change to which Argentina has bound itself constitutes an essential element of the status quo." Lt. Gen. Diaz pointed out that the Armed Forces "have been working silently, trying to gradually conform to present needs, and effecting changes with a view to fulfilling the mandate of defending the loftiest interest of our nation."

He further stated that "the men who belong to the institutions of our homeland are imbued with a sense of how important the overhaul of the Armed Forces is. It is by dint of sharpening our wits that we gained experience in the search for solutions and thus obtained significant achievements in this area." The chairman of the Joint Chiefs of Staff praised the work of the Argentine "Blue Helmets" in UN peacekeeping forces and termed it "a suitable instrument of Argentina's foreign policy."

Lt. Gen. Diaz telephoned the chiefs of each Argentine contingent in UN peacekeeping forces early this morning to "congratulate them on this important national festival for our homeland. Those are not easy missions. We have suffered irreparable loss of life and the indelible consequences of serious mutilation. Nevertheless, the painful devotion to this cause strengthens and tempers us once again as soldiers," he underscored.

In concluding, Lt. Gen. Diaz said that now that we are at the threshold of the 21st century, "there is no mistaking that Argentina has once again set its feet on the path that will lead us to a glorious future."

Argentina: Menem Says Armed Forces 'Must Adapt'

PY2705165096 Buenos Aires TELAM in Spanish 1320 GMT 25 May 96

[FBIS Translated Text] Buenos Aires, 25 May (TELAM) — President Carlos Menem said today that the Armed Forces must adapt to what is happening in the country because there are no privileges. The president added that those who lose their jobs as a consequence of the application of the second state reform will be covered by a labor reconversion fund to retrain for new functions.

"There are no privileges for anyone in the second state reform," Menem said, pointing out that "we respect the Armed Forces, but they must adapt their operations to what is happening in the country. The Armed Forces must go through the same process that is affecting other departments," the president told journalists at the Olivos residence, where he headed one of the ceremonies commemorating the 186th anniversary of the revolution for independence.

"I know that Armed Forces personnel are willing to contribute to this transformation process in the country," the president said, stressing that "the Armed Forces are essential institutions that were born together with the nation."

Asked whether the military "wear little crowns," Menem answered: "No, I have repeated this many times. The situation was different in other times, but it has radically changed now. In the past, it was very difficult to make any cuts to the Armed Forces budget."

"But now the country needs it. I know Armed Forces personnel are completely willing to contribute to creating a better Argentina through this process of transformation," Menem said.

Referring to the second state reform the president added: "We have a very large state, an enormous state, which does not fulfill its functions effectively or appropriately. The bureaucracy is very large. We are trying to solve this problem."

Asked whether the second state reform will mean the dismissal of more people from the public administration, Menem said "no, because there is labor reconversion fund in order to readapt workers affected by the process to new functions. It is important not to leave people unemployed, and to have the resources to go ahead with this reform process," Menem stressed.

Asked whether he confirmed Defense Minister Camilion in his post, Menem said: "I confirmed him. I said this in Corrientes already." "I hope for quick results in the investigation" into the alleged diversion of arms to Ecuador. "We will take the appropriate measures if the investigation concludes that Argentine arms have been diverted to Ecuador and Croatia," the president said.

Menem said: "Yesterday I saw an item on television involving a big contraband of arms from China to the United States, which included even tanks. Therefore, the problem does not only affect Latin America."

Finally, answering a question, Menem concluded: "As I have always said, when I finish my term in 1999 — I make this clear once more — we will be among the 10 best countries in the world."

Argentina: Agreement Reached With Armed Forces on Budget

PY2505024596 Buenos Aires TELAM in Spanish 2021 GMT 24 May 96

[FBIS Translated Text] Buenos Aires, 24 May (TELAM) — Chief of Cabinet Jorge Rodriguez, Defense Minister Oscar Camilion, and the chiefs of staffs of the Armed Forces today reached agreement on the guidelines on the second reform of the state in the area of defense.

Operations Control Secretary Alberto Abad reported that "the round of talks that the Office of the Chief of Cabinet organized with all the ministries" concluded with this meeting, in which "issues pertaining to the Armed Forces were discussed."

Also attending the meeting held at Government House were General Mario Diaz, chairman of the Joint Chiefs of Staff; [General] Martin Balza, Army chief of staff; [Admiral] Enrique Molina Pico, Navy chief of staff; [Brigadier General] Juan Paulik, Air Force chief of staff; and Hector Domenicone, an adviser to the Office of the Chief of Cabinet. The meeting, which took place at Rodriguez's office, began at 1215 and ended at 1400 local time.

Abad denied that the message conveyed to the Armed Forces during the meeting was that the rationalization/budget cut must be undertaken "at all costs." The secretary pointed out that "the import of the chief of cabinet's message was the same as that relayed to all the areas of the administration; namely, the need to effect a serious, neat, and intelligent reform."

Camilion, for his part, made it clear that the state reform does not entail "consolidating hospitals or things along those lines, but rather undertaking a rationalization with a view to successfully making strides in the efficient management of government spending," with which the Armed Forces chiefs of staff "wholly agree."

The defense minister stated that although "the problem of remunerations — which are undoubtedly lagging behind the salary level in the rest of the administration —" was broached during the meeting, we do not foresee granting "a pay raise this year because the 1996 budget does not allow it."

Camilion underscored the need to "improve Armed Forces equipment and, above all, training," adding that in order to do so, "the operational budget of the Armed Forces cannot be lower than the 1995 budget. The new chief of cabinet was clearly told this at today's meeting. [no closing quotation marks as received]

The defense minister said he had high hopes that "a solution" will be found and added, by way of a comment, that the chiefs of staff of the Armed Forces "were satisfied with the meeting." Camilion pointed out that "the substantive issue broached at the meeting revolved around whether or not the state had a defense function because there is a tendency here to say that the state fulfills a health, education, or security function, but the word defense is conspicuous by its absence."

This is the reason why "the chiefs of staff clearly stated today that the state has a defense function, which is different from that of security, something with which the chief of cabinet fully concurred," he added. Camilion explained that as far as this is concerned, "the chiefs of staff left the meeting satisfied," adding that "one can hardly talk about the budget if one is not clear about the fact that the state must fulfill a defense function, which makes it necessary to spend a certain amount of money."

The defense minister wondered: "Do we want a National Guard or Armed Forces?" adding that "if we want to have a National Guard, then let us make decisions to that effect. Nevertheless, if we want to have Armed Forces in Argentina, we will have to act accordingly." Camilion confirmed that "the Menem administration wants our country to have Armed Forces."

Camilion was of the opinion that "despite the deterioration of the hardware and the constraints in operational expenditures the Armed Forces have experienced over the last few years, we are not in a position to increase military outlays." The defense minister contended that "the upgrade of the Armed Forces materiel and operational capacity demand a process of rationalization, further training, better use of capabilities for joint operations and other actions."

Among these actions, the minister mentioned that "there are very concrete things that one can do, such as making medical care at Armed Forces hospitals more functional and specialized — which is something that is being done — rather than unifying hospitals, because that is pointless."

Camilion further stated that services can be regionalized; "if the Navy has implemented an efficient system of communications for Patagonia, it would be advisable for the three arms to use it, and steps have been taken in this direction."

In his view, "today, the Armed Forces are well aware that they must rationalize old structures and avoid duplication of efforts. The communications system I have just mentioned is a clear example of this."

In reply to a question about military hardware and equipment, Camilion said: "That is a serious problem in the three arms." He nonetheless added that some strides were made in this regard, for example, in the Army and the Air Force.

In concluding, the defense minister expressed the belief that despite this situation, "there is no doubt whatsoever" that Argentina "is in a position to defend itself in the hypothetical case a conflict flares up."

Argentina: Menem Calls For 'More Effective' Armed Forces

PY2505022096 Buenos Aires TELAM in Spanish 1447 GMT 24 May 96

[FBIS Translated Excerpt] Corrientes, 24 May (TELAM) — President Carlos Menem said on 24 May that the country will not be left defenseless because of the military budget cuts provided for in the second reform of the state. He added, however, that the Armed Forces concern over the matter is "natural." Menem stated: "Let us not start worrying because we will not be left defenseless."

The chief executive said: "The military are naturally concerned because the reform of the state calls for curbing public spending, which means that the military budget will be cut."

Menem made these remarks at a news conference he held at the Air Force base in Camba Punta, where he was on a private visit together with Felipe Gonzalez, the former Spanish head of government.

"The Armed Forces are oversized and we will make them smaller but more effective," President Menem said.

He commented on the second reform of the state by promising: "We will broaden the measures implemented in 1989 to make the state more effective." He stated: "We want the state to serve the community, not the other way around," adding that the state must be "effective as far as education, justice, security, and public health are concerned."

Menem remarked: "The state must operate in keeping with the new laws so as to play a better role in the Common Market of the South." [passage omitted]

Argentina: Menem Blames Unemployment on Illegal Immigrants

PY2505025096 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1821 GMT 24 May 96

[FBIS Translated Excerpt] Corrientes, 24 May (NA) — Argentine President Carlos Menem on 24 May reaffirmed his confidence that unemployment "will drop remarkably," and blamed current unemployment on black-market labor and illegal immigration.

The chief executive stated: "I heard Juan Alemann, the renowned economist, say two days ago that the unemployment rate is less than 10 percent." Menem acknowledged, however, that this figure "is still high and must be reduced."

Menem held a news conference at the Air Force base in Camba Punta, 12 km of Corrientes. Felipe Gobnzalez, the former Spanish president of government who had spent the day fishing and resting with Menem, was also present.

Menem said that he had discussed the issue with Gonzlez, and emphasized that "we are working to resolve unemployment. The rate has gone up in Argentina because of the black-market labor," Menem explained, adding that "there are around 5 million illegal workers in Argentina."

He said: "We have a situation there that must be set right; perhaps Spain has had the same problem," adding, however, that Spain is a member of the EU, "where salaries are similar from country to country."

Menem explained that "Argentina's per capita income is $8,200 per year, while in the neighboring countries it is less than $4,000." He indicated that that is where the manpower comes from "and unfortunately Argentine businessmen hire them for half of what they pay Argentine workers and do not pay social welfare contributions for them, which is unfair competition." [passage omitted]

Argentina: Chief of Cabinet's Office Reshuffled

PY2505025496 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2125 GMT 23 May 96

[FBIS Translated Text] Buenos Aires, 23 May (NA) — Juan Carlos Maqueda, Justicialist Party deputy for Cordoba Province, was appointed deputy chief of cabinet, replacing Miguel Sole, who resigned. Jorge Azcarate, spokesman for the chief of cabinet's office, announced that Carlos Menem will take Maqueda's oath of office on 28 May.

The spokesman also announced that Nestor Alcala, current under secretary of the chief of cabinet's office, will take over from Nicolas Becerra as congressional coordination secretary when the latter is installed as the nation's defense attorney general.

Argentina: UCR Wants 'Impeachment' of Defense Minister

PY2405211396 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1056 GMT 24 May 96

[FBIS Translated Text] Buenos Aires, 24 May (NA) — The Radical Party [Radical Civic Union, UCR] has warned that there is "an immoral exercise of power" within Carlos Menem's administration and announced a number of legislative, judicial, and political actions targeted against Domingo Cavallo, (economy minister), Oscar Camilion (defense minister), and Guido Di Tella (foreign minister).

A joint meeting of the UCR executive board and the UCR leadership in both houses of Congress — which was presided over by Rodolfo Terragno — was held to unify positions on issues that affect executive branch ministers and to agree upon a joint strategy.

During a news conference at the third floor of the party's National Committee headquarters, Terragno yesterday insisted on the impeachment of Camilion and the presence of Cavallo and Di Tella in Congress — Cavallo to explain his accusations of "judicial harassment" and Di Tella to explain what his portfolio is doing to resolve the dispute over the sovereignty of the Malvinas Islands.

Sitting beside Terragno were National Committee Vice President Melchor Posse; Federico Storani, UCR leader in the Chamber of Deputies; Jose Genoud, UCR leader in the Senate; Chief of Cabinet Jesus Rodriguez, and UCR leader in Santa Fe Luis "Changui" Caceres. Terragno explained the different issues.

Regarding the controversial sale of Argentine arms to Ecuador and Croatia, the UCR insists on impeaching Camilion and asks the National Accounting Office to investigate the involvement of the Defense Ministry and Military Industries in the affair.

One of those participating at the meeting said: "We insist on Camilion's separation. This is just the first hurdle on our way up the chain of responsibilities in the arms sale."

Regarding accusations by Cavallo on alleged "judicial harassment" the UCR demands the presence of the minister in Congress "without excuses or delays in view of the gravity of his remarks," adding that it will promote an official investigation into the charges.

Terragno said: "If there was an illegal association of the three branches to harass those who denounce cases of corruption, the minister must reveal the names and the prosecutors' office must act."

The UCR leader said if Cavallo does not give details of his accusations he will be guilty of "covering up, if he knows the names but he does not disseminate them; he will be guilty of coercion; or he will be guilty of making false accusations." Terragno said these accusation cannot go unexplained; like the minister's warning of mafias entrenched in power.

Terragno stressed: "The minister would be irresponsible if he made those accusations merely as part of the government's internal game that involves secondary disputes with other ministers, which jeopardizes the juridical security of the country."

The UCR will insist on an interpolation of Foreign Minister Guido Di Tella and the presence of Vice Foreign Minister Fernando Petrella to explain "government instructions" to act at the United Nations in view of the Malvinas Islands inhabitants decision to increase their self-determination.

Petrella was appointed ambassador at the United Nations on 22 May. He will replace Emilio Cardenas. The UCR claims that Petrella "does not have any instructions to act" before that organization.

The UCR also demanded the presence of a multiparty delegation at the UN Decolonization Committee meeting because "our presence cannot be unilateral in light of the results obtained by the government."

Argentina: Minister Charges UCR 'Manipulates' Judiciary

PY2405190096 Buenos Aires TELAM in Spanish 0429 GMT 24 May 96

[FBIS Translated Text] Buenos Aires, 24 May (TELAM) — Economy Minister Domingo Cavallo said last night that the Radical Party [Radical Civic Union, UCR] are "manipulating" judges and prosecutors and thus indict President Carlos Menem's administration officials.

The minister emphasized: "The UCR is working on prosecutors and judges, trying to subordinate the judicial branch to the opposition. It knows how to obtain indictments that can be used politically against the administration of President Menem and his assistants."

Cavallo made a vehement phone call during the Libertad television program "Hora Clave," challenging UCR mayoral candidate Fernando de la Rua to a public debate on the way the judicial branch operates.

The minister said he has "concrete examples" and mentioned "what happened to Judge Maria Servini de Cubria who was threatened with impeachment in order to force her to indict Abel Cuchetti based on a report by (former) Deputy Raul Baglini."

Cavallo said: "I could mention many cases of manipulation by the UCR of prosecutors and judges using nearly extortionist measures. Fernando de la Rua knows all about this." He added: "The Radicals are experts in manipulating the judicial branch."

Cavallo said: "One piece of evidence that proves the UCR gives political protection to some judges and prosecutors, only to extort them later, is the case of a Supreme Court justice who was faced with irrefutable evidence of corruption."

The minister recalled that Jujuy Deputy Maria Cristina Guzman presented the case of Justice Augusto Belluscio to the house, but "he was not tried because the UCR gave him political protection in spite of clear evidence that he was in partnership with the person who was accidentally killed in Paris."

"The case was very clear, yet the UCR gave political protection to this justice when he should have been tried and impeached."

Cavallo also asked the viewers to remember the case of former UCR Deputy Enrique Benedetti, who will again take a seat at the lower house if the UCR wins the 30 June elections, suggesting that he will replace current legislator Adalberto Rodriguez Giavarini when he is appointed to an important seat at City Hall.

Cavallo said: "That (former) deputy used illegally obtained recordings of a conversation between prosecutor Campagnili and prosecutor Quantin [not further identified] in a case against Mr. Benedetti."

The minister said that the Radicals "grant political protection in some instances. They then force these judges who are threatened with impeachment and who are in a weak position to act against officials in President Menem's government."

Cavallo said: "They have done this to officials in my portfolio. They then adamantly claim that they respect the independence of the judicial branch."

Bolivia

Bolivia: Gelbard Said Behind 'Narco-Links' Case

PY2405210896 La Paz LA RAZON in Spanish 18 May 96 pp A8-A9

[FBIS Translated Excerpt] Raul Lema, executive secretary of the MNR [Nationalist Revolutionary Movement] has called MIR [Movement of the Revolutionary Left] leaders "cowards" for groundlessly accusing his party of getting the prosecutor to seek a 15-year sentence for Oscar Eid, without daring to name those who are truly behind the prosecutor's request. Lema said the U.S. Embassy in Bolivia and former U.S. Ambassador to Bolivia Robert Gelbard are the driving forces behind this case. [passage omitted]

Lema said that if there is a hidden hand behind the narco-links trial: It "is a white hand in Washington," referring to Robert Gelbard, U.S. Department of State assistant secretary for international narcotics and law enforcement affairs.

He angrily said: "They (the MIR leaders) know very well Mr. Gelbard is behind all this. Neither the MNR, the president, nor the administration have nothing to do with it."

Lema added, also angrily: "The North Americans took away Jaime Paz Zamora's U.S. visa. The MNR is powerful, but our power does not reach beyond our country's borders. We could never influence the world's first power over somebody's visa."

The U.S. Government removed the visas of Jaime Paz Zamora; Oscar Eid Franco; MIR leaders Carlos Saavedra and Guillermo Capobianco; and Edith Paz Zamora, the former president's sister. Lema urged these MIR leaders to ask the U.S. Embassy why the U.S. Government took their visas away, instead of groundlessly accusing the MNR of things in which it is not involved.

Lema said: "They should go to Abaroa Square (where the U.S. Ambassador's residence is located), or to the U.S. Embassy on Arce Avenue, to find out why their visas were taken away, and what is going on." [passage omitted]

Bolivia: No 'Direct' U.S. Role Seen in Narco-Links Trial

PY2405223296 La Paz LA RAZON in Spanish
20 May 96 p A8

[FBIS Translated Text] Just one day after Bolivian Communications Minister Guillermo Richter stated that Raul Lema, executive secretary of the MNR [Nationalist Revolutionary Movement], did not speak on behalf of the party [in his remarks about the narco-links case], Lema retorted that he did speak as a party leader. He added that "people are acting as if they just reinvented the wheel."

Lema said: "Minister Richter's remarks convey the official position of the administration, which I respect. It would be difficult to separate my personal opinion from my opinion as MNR executive secretary. I do not see any difference."

Asked if he made the statement on 17 May on behalf of his party, Lema answered: "Certainly." On that occasion Lema said that the "white hand" of the U.S. Embassy was behind Oscar Eid Franco's trial. On 19 May, however, Lema explained that this remark did not mean the United States were interfering directly in the trial of the MIR [Movement of the Revolutionary Left] leader.

Lema recalled that during former President Jaime Paz Zamora's administration, several officials were dismissed: Namely, former Interior Minister Guillermo Capobianco and Faustino Rico Toro, former FELCN [Special Antinarcotics Force] commander, who is serving a prison sentence for drug trafficking in the United States.

Lema added: "I cannot understand why there is so much hypocrisy among our politicians, and now everybody is acting as if they just reinvented the wheel, as if they were disclosing something new."

He added: "We are not talking about direct U.S. interference in the trial against him (Eid), but there is no doubt the United States has sent very clear signals about Paz Zamora's administration."

Bolivia: 'Plotting' Denied in 'Narco-Links' Affair

PY2405204696 Cochabamba LOS TIEMPOS
in Spanish 18 May 96 p A4

[FBIS Translated Text] La Paz, 17 May — The administration has denied charges of "plotting" against the MIR [Movement of the Revolutionary Left] and its second-in-command Oscar Eid Franco, for whom the prosecutor seeks a 15-year sentence for his involvement in the "narco-links" affair.

Bolivian President Gonzalo Sanchez de Lozada has stated that the administration is accused of something with which it has no connection. He also denied "influencing" the U.S. Government or the Bolivian judicial branch.

The president's first comment on the district attorney's request in the "narco-links" case was that the administration and the MNR [Nationalist Revolutionary Movement] are not plotting to prevent the MIR from participating in next year's presidential elections. He added that this charge is somewhat similar to the affair involving the withdrawal of former President Jaime Paz Zamora's U.S. visa.

The president said: "First, there is no plot. We were also accused of being involved in the loss of Paz Zamora's U.S. visa. Unfortunately, we do not have that kind of clout; neither can we influence the judicial branch."

On 16 May, the state prosecutor asked for a sentence of 15 years in the Conchocoro prison for MIR second-in-command Oscar Eid Franco. The leaders of that political party interpreted this as an attempt by the administration, and the MNR, to block their participation in the 1997 elections.

President Sanchez de Lozada categorically refuted this charge, pointing out that " the prosecutor merely asked for a 15-year sentence " for Oscar Eid Franco. He said that "the court has not decided anything yet," adding that the trial of the MIR leader is in strict compliance with the law.

Sanchez de Lozada said: "There is evidence, he is being defended, and as far as I know he has not been sentenced. He is being tried and things are being clarified."

He confirmed that the neither the administration nor the MNR wants to harm any party. The president said: "This is yet another groundless and offensive accusation which is worthless."

Bolivia: Fujimori To Discuss Trade During Visit to Sucre

PY2505040196 Madrid EFE in Spanish
0152 GMT 24 May 96

[FBIS Translated Excerpt] La Paz, 23 May (EFE) — According to diplomatic sources, trade relations and new means of communications between Bolivia and

Peru will be the centerpiece of the talks President Gonzalo Sanchez de Lozada and his Peruvian counterpart Alberto Fujimori will hold in Sucre on 25 May.

The two heads of state will attend the ceremonies commemorating the 187th anniversary of the 1809 revolt in Sucre that marked the beginning of the Hispano-American struggle for independence from colonial rule.

Trade relations between Bolivia and Peru — Upper and Lower Peru up to its independence — will be boosted once the highway linking Rio Seco to Desaguadero is completed. This will form part of an export corridor, which will facilitate Bolivian access to the ports of lo and Matarani.

It is expected that these two cities in southern Peru will become important distribution points for the production of the eastern region of South America.

According to data provided by the Bolivian National Statistics Institute, over the last decade Bolivia's balance of trade with Peru has been favorable to the tune of $33.46 million annually, on average. Bolivia has become one of Peru's leading suppliers of oil seeds and its by-products.

In 1995, Bolivian exports to Peru amounted to $112 million, whereas Bolivian imports from Peru totaled $70.94 million. Bolivia's trade surplus with Peru thus added up to $35.86 million, down by $20 million on 1994. [passage omitted]

Bolivia: Fujimori Views Parade, Concludes Accords

PY2705192196 La Paz TVB Television Network in Spanish 1700 GMT 27 May 96

[FBIS Translated Text] Peruvian President Alberto Fujimori received a lot of applause during the weekend. Fujimori participated in celebrations in Chuquisaca to commemorate (the first bid for Latin American independence) on 25 May.

His visit was fruitful. In the following paragraphs, we will talk about his agreements with President Gonzalo Sanchez de Lozada.

Peruvian President Alberto Fujimori visited Sucre, Bolivia, to commemorate the 187th anniversary of the first bid for freedom in the Americas. Both presidents renewed their will and their decision to seek better and new possibilities to integrate both countries. Two hours were enough for the two presidents to adopt decisions on the possibilities of exporting Peruvian gas through Bolivian territory, the creation of a binational council to fight drugs, and the reactivation of the project Ilo-Bolivian Ocean. These are the most important decisions:

With respect to drug trafficking, a commission will be created to fight drug trafficking. It will be headed by a Peruvian minister-chief of police for half a year and by a Bolivian police chief during the other half. The purpose of the commission will be to carry out binational control of drug trafficking. Fujimori proposes a shared international fight against drug trafficking.

With respect to Ilo Port, Fujimori committed himself to finishing the paving of the Desguadero-Ilo highway in two years in order to inject more dynamism into the region's economy.

With respect to terrorism, Fujimori will support Bolivia by not giving refuge to citizens from neighboring countries if they have connections with terrorism.

With respect to exceptional relations, the Peruvian and Bolivian presidents stress that their countries have a common destity and a common goal to achieve an absolute economic, political, and social independence with justice, employment, and education.

The last point is the gas from Camisea, Peru. Bolivia and Peru will continue studying the possibility of selling natural gas discovered in the Camisea fields, in Peru, using Bolivian pipelines to reach the Brazilian market.

These are, in summary, the most important items discussed by Bolivian President Gonzalo Sanchez de Lozada and Peruvian President Alberto Fujimori.

Bolivia: Chile Said Unwilling To Discuss Sea Outlet Issue

PY2705165696 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 27 May 96

[FBIS Translated Text] Foreign Minister Antonio Aranibar has asserted that the recent remarks made by his Chilean counterpart Jose Miguel Insulza show little willingness on Chile's part to broach the issue of Bolivia's claim to an outlet to the sea in order to find a solution to it. Aranibar contended that within the context of Bolivia's renewed approach to relations with this neighboring country, the long-standing issue of the recovery of its panhandle should not be left out, since it is deemed central for Bolivian development. The foreign minister further stated: As the president of the Republic rightly put it, it is clear that no subjects should be excluded from bilateral talks between Bolivia and Chile. The Bolivian Government will continue making every endeavor to further ties with Chile from a comprehensive point of view.

This notwithstanding, while denying that the reason for Insulza's failure to attend talks had to do with problems arising from the diversion of the Silala River, the foreign minister was at a loss for words to account for the absence of the Chilean foreign minister from the Rio Group meeting.

The agenda of the fourth [number as heard] meeting of foreign ministers of Rio Group member countries does not foresee any bilateral meetings between Aranibar and [Francisco] Mariano Fernandez, Chilean Foreign Ministry under secretary. In reply to a question about Bolivia's strategy and policies geared to securing the Rio Group's support for Bolivia's claim to an outlet to the sea, the foreign minister asserted that this subject will be mooted and discussed at the OAS General Assembly to be held in Panama from 2 to 7 June.

In concluding, Aranibar stated that in a move to prevent this issue from being forgotten or sidelined, Bolivia seeks, every year, to have the subject included on the bilateral agenda between Bolivia and Chile and, in particular, on the hemispheric agenda.

Brazil

Brazil: Minister Says U.S. To Take Part in Drug Operation

PY2505023096 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 24 May 96

[FBIS Translated Text] Justice Minister Nelson Jobim has stated that Brazil is preparing an antinarcotics operation with the armies of neighboring countries. He stated that the U.S. military antinarcotics force will also take part in the operation.

Brazil: Proposed U.S. Air Force Visit Said 'Unnecessary'

PY2805032496 Sao Paulo ISTOE in Portuguese 22 May 96 p 18

[FBIS Translated Text] A letter carrying the stamp "restricted" that was received on 15 May provoked an incident between the U.S. Air Force (USAF) and the Brazilian Air Force General Staff. The letter proposed a visit to Brazil by a USAF team to discuss the drafting of a military penal code for Latin America. Brigadier Sergio Ferolla, chief of the Air Force General Staff, said: "The visit would be unnecessary because military laws in any country should conform to domestic conditions and to sovereignty issues." Brigadier Jorge Jose de Carvalho, a member of the Superior Military Court [STM]; and Brigadier Alvaro Dutra, former deputy chief of the Armed Forces General Staff have endorsed Ferolla's remarks.

Carvalho said: "STM issues fall under the jurisdiction of the Justice Ministry; and, if international issues are involved, the Foreign Ministry would have to come into play too."

Dutra said: "More than inappropriate, the proposal is indecent. It would be to distort the nature of the Brazilian Armed Forces to make them engage in police activities such as fighting drug trafficking. We cannot yield to the strategy of any foreign power."

Brazil: Editorial Says Trade With U.S. 'Lacks Reciprocity'

PY2705220596 Sao Paulo GAZETA MERCANTIL in Portuguese 21 May 96 p A2

[Editorial: "Opening Without Reciprocity"]

[FBIS Translated Text] Nowadays, Brazil does not have trade conflicts with the United States and the last dispute between the two countries has been solved with the recent enforcement of the new Patent Law. The $1.16-billion deficit Brazil had in 1995 in its trade with the United States is no reason for surprise either. In 1994, we had a $2.16 billion surplus in our bilateral trade. Going further back in time, we realize that our bilateral trade with the United States has registered a series of deficits alternated with surpluses, just as it occurred now, and that this is perfectly normal between two countries that have such active bilateral trade.

It is reason for resentment among Brazilian entrepreneurs, however, the fact that although Brazil has greatly deregulated its foreign trade in the last few years, this opening lacks reciprocity from Washington. It is true that, after the Patent Law was sanctioned, U.S. Trade Representative Charlene Barshefsky said that the United States was withdrawing Brazil from the list of countries that could suffer restrictions for unfair competition practices.

This is much less than what the Brazilian Government and entrepreneurs expected. In the week of 12-19 May, Brazilian Foreign Minister Luiz Felipe Lampreia went to Washington and met with Commerce Secretary Mickey Kantor specifically in order to start a process of negotiations aimed at significantly reducing barriers resulting from clearly protectionist measures established against Brazilian products in the U.S. market.

As Minister Lampreia pointed out, in the last five years Brazil has practically eliminated all obstacles to importing U.S. products that are normally sold in our market, but the U.S. Government has not reciprocated the gesture. Perhaps the best example of that is the orange juice issue. The Brazilian product is subjected in the United States to a flat tax [two preceding words in English] of $467 per tonne. In accordance with current values, this represents an "ad valorem" quota of 30 percent.

As the U.S. trade area experts know very well, to charge a fixed tariff on importing a determined product is not among the good trade rules. It is more fair and coherent to collect a quota that is proportional to the value of the product. Therefore, when the price of the product is low, a lower tax will be levied on it. Fixed taxes are only advantageous for those who export to the United States, if prices are extremely high, i.e., in a very unusual market situation.

Fixed taxes are already a sign of protectionism but this specific case is still more blatant because, by converting the flat tax into an "ad valorem" tax, in normal market conditions such as the current ones, the quota becomes too high — be it by U.S. standards (average quota is 4.5 percent), or by Brazilian standards (average quota is 14 percent). Furthermore, in this case, nontariff restrictions are also added to the tariff restrictions. Through its appellation entity, the WTO has recently decided against the United States in the dispute referring to gasoline imports from Brazil and Venezuela. As the WTO has ruled, the U.S. environmental standards for fuel use should not discriminate imports that comply with demands made on similar U.S. products.

These are some of the reasons why Brazilian exports to the United States have barely increased, while U.S. sales to the Brazilian market have increase tremendously as a result of our market opening (they have increased by 121 percent from 1989 to 1995). If the restrictions prevail, there will probably be voices claiming that Brazil should adopt compensatory measures regarding U.S. products. As a result, a new type of dispute might originate from that and this would be deplorable.

Brazil, like all other Latin American countries, does not dislike the fact U.S. exports to the region are already equivalent to U.S. sales to the EU and by the year 2010 can total as much as $232 billion, which is the overall amount of U.S. sales to the EU added to the those to Japan, as Kantor predicted.

However, our countries expect their sales to the wealthiest market in the world to increase at the same pace. Occasional deficits can be easily absorbed. What creates concern is to see these deficits become structural imbalances.

Brazil: Editorial Views PRC, U.S. Clash Over Royalties

PY2405211496 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 May 96 p A3

[Editorial from the "Notes and Information" page: "New Chinese Perception"]

[FBIS Translated Text] Confrontation between the United States and the PRC over royalties and access to markets marks the new perception Beijing has of the role of foreign trade in their economy. Until very recently, and in cyclic episodes similar to the current one, whenever the United States brandished a list of products on which it had decided to charge extra tariffs in view of PRC violations, Beijing merely ignored the sanctions and waited until the pressure of U.S. entrepreneurs who opposed the sanctions balanced the situation and led Washington to adopt a more flexible position. After all, every time an administration establishes surtaxes or bans imports from other countries it pleases some of its economic protagonists and harms others.

The U.S. Government, particularly in face of attractive business opportunities in the PRC, has been quite creative when attenuating conditions it has imposed. On the PRC side, there was a certain inhibition and the desire to avoid irritation and await pragmatism to finally prevail over the rhetoric storm that sought to comply with the rituals of democracy.

This time is different. As soon as the United States announced its actions, the PRC responded with its own list of retaliations. Since then they have been negotiating item by item seeking to avoid a trade war which, obviously, would be in no one's interest.

What caused the PRC to change its attitude? With an economic growth of 10 percent per year, the PRC can no longer wait. Foreign trade is vital for that country. The consumption demands of its population has grown beyond local production. Its natural resources are insufficient and some are about to become exhausted. This has led to the opening of the economy, thus making economic growth possible. This growth exponentially increases demand for energy and raw materials. In spite of its ideological dogmas, the PRC has joined the circuit of economic interdependence.

The United States maintains controversial relations with its Chinese partner. The U.S. Government cannot and does not want to resist the opportunities offered by the PRC. It also needs to satisfy public opinion in view of charges of human rights violations in the PRC, just as it needs to satisfy entrepreneurs who are being harmed by violations of trade practices. The United

States makes a point of granting the PRC the status of most favored nation, yet makes its admittance into the WTO difficult although the WTO is the adequate forum to solve disputes like the current one. Once in a while the United States threatens the PRC with trade wars — only to then help to calm things down.

Brazil: Cardoso Lists Priorities for Visit to France

BR2405135596 Paris LA TRIBUNE DESFOSSES in French 24 May 96 p 6

[Interview with Brazilian President Henrique Cardoso by Blanca Riemer in Brasilia; date not given: "Brazil Intends To Be a Player in the New World Order"]

[FBIS Translated Excerpt] [Riemer] What are the objectives of your visit to France. What is Brazil looking for from France?

[Cardoso] My visit has first of all a political objective. We are witnessing a redistribution of powers at world level, with a single superpower. This is bringing with it a reorganization of the whole international system. France is playing an important role in this changing international context, and Brazil intends to play a part in the reorganization of the world order. Not by lobbying at the UN General Assembly, but more directly by establishing relations with those who hold power.

I also believe that France and Brazil need to develop their bilateral trade. French investment has not kept up with that of other countries such as Germany. We need to reestablish this balance. I note with a lot of satisfaction that Renault has decided to set up in Brazil and that EDF has bought the Light & Co. electricity company. These are positive signs from the economic viewpoint. [passage omitted]

[Riemer] In what industries are you seeking to promote foreign investment?

[Cardoso] In leading edge technologies: aerospace, telephony, communications in general, satellites. I was recently visited by Saint-Gobain CEO Jean-Louis Beffa. He found Brazil totally changed since his last visit three years ago. Brazil is now one of Saint- Gobain's most important focal points in the world after France, the United States, and Japan. It is important to invest in those areas where Brazil can become competitive on a world scale. In automobiles, for example, with a domestic market of some 2 million vehicles, we are well placed. But we want models designed in Brazil, with the latest technology, and with the most up-to-date marketing techniques, in order to launch them on the world market. There are only five or six countries capable of doing this: France, Germany, the United States, Japan, Korea, Italy, and now Brazil. We want France at our side in this effort. [passage omitted]

Brazil: Report Previews Cardoso's Visit to France

PY2405211796 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 24 May 96

[Special report for Radiobras by Roberto Figueirinho from Radio France International]

[FBIS Translated Text] Everything is ready in Paris for President Fernando Henrique Cardoso's visit, which will begin on 27 May.

In fact, President Cardoso arrives at the Orly Airport on the night of 26 May. He will then go to an old palace in downtown Paris, the Marign Palace. The palace windows open onto the Elysee Palace, which is the seat of the French Government and President Jacques Chirac's residence. Part of President Cardoso's agenda will be held at the Marign Palace. On 27 May, he will receive there two French entrepreneurs: one from Aerospatiale, which manufactures planes, satellites, and weapons; and the other from Renault, which is building a plant on the outskirts of Curitiba, Parana State. This plant will be operational before 2000.

At the Marign Palace, President Cardoso will also meet with Bank of France Governor Jean-Claude Trichet, former socialist Prime Minister Michel Rocard, and Brazilian entrepreneurs.

There are great expectations in France about this visit — not among those accustomed to the movements of chiefs of state in the French capital — but mainly in economic and entrepreneurial areas. French entrepreneurs have finally awoken to the importance of the Brazilian market, which is one of the biggest in the world. France is arriving late on the Brazilian market. They also know that now it is the time to invest money in the Brazilian economy, which is one of the 10 largest in the world.

Brazil: Cardoso Visits Paris, Meets Businessmen

PY2805012896 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 27 May 96

[FBIS Translated Excerpt] Brazilian President Fernando Henrique Cardoso today attended in Paris the installation of a Council for Citizens at Marigny Palace. Consular officer Eduardo Seixas said these councils are designed to protect and to assist Brazilian citizens abroad. [passage omitted]

During the ceremony, Cardoso emphasized the significance of installing this type of council in several countries.

[Begin Cardoso recording] This is either the fourth or fifth council I have had the privilege of dedicating. I presided over one in the United States, namely in San Francisco; another one in Tokyo; another one in Buenos Aires; and now this council in Paris. This reflects the Brazilian Foreign Ministry's efforts to address a new reality, that of Brazilians residing abroad. We do not know exactly how many Brazilians are residing abroad, but we estimate them at around 1 million. There are nearly 200,000 Brazilians in Japan alone, and 500,000 in the United States. [passage omitted] [end recording]

President Cardoso today met with representatives of Amnesty International, an organization charged with defending human rights. Cardoso outlined the Brazilian Government's measures designed to resolve disputes between farmers and landless peasants, especially in Para State.

Cardoso said that steps are being taken to prevent crimes from going unpunished in Brazil and that Congress is studying changes in Brazilian laws to deter crimes against human rights. [passage omitted]

Cardoso is scheduled to meet tomorrow with French President Jacques Chirac.

Today, the Brazilian president met with two French business executives. They are: Louis Gallois, president of Aerospatiale, which is interested in the aerospace area; and Louis Schweitzer, and president of Renault, which has just announced a $1 billion investment by 2000 in a new Renault auto plant in the interior of Parana State.

Cardoso then attended a cocktail party at the residence of Brazilian Ambassador Carlos Alberto Leite Barbosa and then had a private dinner.

Tomorrow, Cardoso will start his day with a meeting with President Chirac. Later, he will visit the National Council of French Employers — the Conseil National du Patronat Francais — where he will attend a large meeting and will lunch with businessmen interested in making investments in Brazil. In the evening, he will attend a dinner to be hosted by Chirac.

Also tomorrow, Brazil and France are scheduled to sign eight agreements. The main one will be one described as a framework agreement, which will boost Brazilian-French relations to new levels on the political, cultural, and economic fronts.

Brazil: Cardoso Views Venezuela's Stablization Plan

PY2705234996 Sao Paulo GAZETA MERCANTIL in Portuguese 21 May 96 p A5

[Article by Maria Helena Tachinardi in Brasilia]

[FBIS Translated Excerpt] On 20 May, President Fernando Henrique Cardoso expressed support for Venezuela's new stabilization plan, which has promoted a deregulation of prices and extinguished control over the exchange rate. Brazil has been the only Latin American country to advise the Venezuelan Government in drafting its economic plan, a diplomatic source has reported.

One month before the economic package was launched, Brazilian Central Bank President Gustavo Loyola, his predecessor Persio Arida, and economist Edmar Bacha, former president of the National Bank for Economic and Social Development, went to Caracas to comment on the Brazilian experience with the Real Plan, its successes and difficulties.

The new measures will favor Venezuela's integration with the countries of the Common Market of the South [Mercosur], "because they are within the guidelines adopted by them," Venezuelan President Rafael Caldera said. After Chile and Bolivia, which will probably sign a free trade accord with the Mercosur countries in Buenos Aires at the end of June, Venezuela is the next priority.

Caldera asserted that he can sign a similar accord with the subregional block by mid-December, in Fortaleza, where two events of the integration area will take place: the Mercosur summit and a meeting of high-ranking officials of 34 countries of the American continent, which will prepare the Third Meeting of the Free Trade Area of the Americas. The meeting will be held in Belo Horizonte in May 1997.

Brazil and Argentina support the free trade area with Venezuela, but there are still difficulties with the two smallest Mercosur partners, Uruguay and Paraguay, the Venezuelan president revealed. Caldera signed two documents with President Cardoso: the Brasilia Declaration, which consolidates the strategic partnership between the two countries; and the Planalto Act, which has 39 points and defines new tasks, including an analysis of all options for energetic integration between the two countries. [passage omitted]

The plans for strategic partnership between the two countries were conceived in July 1995, during President Cardoso's visit to Caracas. Since then, a group of experts has been discussing them, but no project has been made concrete.

During the meeting with Caldera on the morning of 20 May, President Cardoso confirmed his interest in integration between the two countries in the area of energy, and instructed his advisers to examine all the pending options, including the possibility that the Venezuelan Guru plant supply electricity to northern region states. This project, however, is still on paper because there are disagreements about prices. The Brazilian Electric Power Company, Inc. proposes to pay a maximum of $21 for each milliwatt per hour, while the Caroni River Electrificiation Project asks $31. [passage omitted]

Venezuela is Brazil's third oil supplier, right after Saudi Arabia and Argentina. Last year, Brazil imported $630 million in oil and byproducts.

President Caldera will end his visit to the country on 23 May, after visiting Manaus [Amazonas State] and Boa Vista [Roraima State]. On 21 May, he will address Brazilian entrepreneurs at the National Confederation of Industry. At night he will host a reception in President Cardoso's honor.

Brazil: Caldera, Cardoso Sign Joint Communique

PA2405141896 Caracas EL UNIVERSAL in Spanish 21 May 96 p 1-8

[FBIS Translated Text] Venezuelan President Rafael Caldera and Brazilian President Fernando Henrique Cardoso signed yesterday in the Planalto Presidential Palace a joint communique recognizing the progress achieved during the state visit by the Venezuelan president to the neighboring country. Herewith is a summary of the highlights of the document:

The two heads of state expressed their "unyielding resolve to continue expanding bilateral ties within a perspective of integration by implementing specific agreements that have been identified already."

Within the spirit established by La Guzmania Protocol, the two leaders stressed the "tangible and positive" results stemming from the work undertaken by the 11 task groups that coordinate the High Level Binational Commission.

Caldera and Cardoso reaffirmed the enormous importance of the negotiation of a free trade agreement between Venezuela and the four Mercosur [Common Market of the South] countries within the Aladi [Latin American Integration Association] framework with the goal of concluding it "as briefly as possible."

Referring to the socioeconomic measures recently adopted by his counterpart, President Fernando Henrique Cardoso conveyed the Brazilian Government's support for the efforts the Venezuelan Government is making to achieve economic stability.

The two presidents expressed their satisfaction over Brazil's "substantial increase" of purchases of Venezuelan oil, thus placing our country as the third supplier of hydrocarbons of the neighboring country. Moreover, they emphasized their intention to study "greater acquisitions" of Venezuelan by-products and the strategic importance and significance of cooperation between Pdvsa [Venezuelan Petroleum Inc.] and Petrobras [Brazilian Petroleum Company]. Within this context, they regard with optimism the decision by the Venezuelan oil industry to participate in financing a new refinery to be built by Petrobras and in which Pdvsa will be one of the shareholders.

The presidents noted the potential for cooperation that exists between the northern regions of Brazil and the southern regions of Venezuela on energy matters. They recommended that Edelca [Caroni River Electrification Project] and Electrobras [expansion unknown] resume their talks in June regarding the Guri-Boa Vista-Manaos electrical interconnection.

Cardoso referred specifically to the creation of a "South American energy zone," as a central element of the complementarity between Venezuela and Brazil.

The two presidents reaffirmed the significance of cooperation in mining and iron and steel industries. They pointed to the high interest given to the implementation of the Understanding Memorandum signed in 1995 that will lead to the utilization of the CVG-Sidor [Venezuelan Guayana Corporation-Orinoco Iron and Steelworks] industrial park by the Brazilian private sector and the tapping of Brazilian experience on engineering and construction projects for deep water ports, railroad lines, and handling of large capacity cargo ships.

The document also makes clear proposals to develop the border region, promote tourism in Venezuela, combat illegal mining, conserve the environment, cooperate on judicial and penal matters, exchange technology and communications, increase the ties between the congresses of the two nations, develop culture as the base for the continuous rapprochement process, and continue bilateral consultations to participate in international forums.

Brasilia Declaration

Caldera and Cardoso also signed the Brasilia Declaration in the Planalto Palace, and herewith are the highlights of it:

"We express our conviction that increasing and expanding the ties of cooperation between the two countries, in a perspective of integration that falls within the spirit of the decisions adopted during the Caracas presidential meeting of 4 July 1995, constitutes a permanent objective of bilateral relations."

"We reaffirm the commitment of the two governments to the democratic regime, a fundamental guarantee to provide the conditions for growth based on social justice and to lay solid foundations for the process of regional integration."

"At the time when our economies are striving to guarantee stability and growth, we voice our willingness to explore to the highest extent possible the immense potential for cooperation that exists between our two countries."

"In this respect, we express our firm decision to establish an area of economic, energy, and mining complementarity between our countries that provides mutual benefits and is guided by the perspective of integration."

"The growing rapprochement between our countries also entails the integration of our border regions, since they would stand to gain by a significant increase of commerce and tourism. These steps forward regarding physical integration and environmental cooperation will be fundamental to ensure the continuity of this process."

"In a world marked by the growing challenges of globalization and regionalization, our (...) reciprocal confidence will constitute an element to strengthen our national economic and social development efforts and a guarantee of a more dynamic and positive presence by our countries in the international scene."

"We are likewise expressing the conviction that the strengthening of our traditional ties of friendship will represent a factor that promotes regional integration efforts aimed at the creation of an integrated area comprising South America, and, from there, hemispheric integration."

"We also reiterate our commitment to strengthen our cultural contacts so as to promote the mutual knowledge of our peoples, languages, and cultures."

Brazil: Venezuela's Caldera Ends Official Tour

PA2405215396 Caracas Venezolana de Television Network in Spanish 0230 GMT 24 May 96

[FBIS Translated Text] Without a doubt, President Rafael Caldera's official visit to Brazil will ultimately open new opportunities for the strengthening of bilateral relations that will ensure simultaneous and sustainable growth between both nations.

This Thursday, the president of the Republic ended his four-day visit to Federative Republic of Brazil, where he was able to carry out an intensive agenda of meetings that will lead to agreements intended to further strengthen political, economic, and cultural ties between both nations.

The main objectives of these agreements were contained in the Planalto Declaration signed by the two heads of state, Rafael Caldera and Fernando Henrique Cardoso.

Likewise, both presidents stressed the importance of negotiations between Mercosur and Venezuela in order to continue the process of hemispheric integration that they anticipate will culminate in a free trade agreement that will be signed by the end of the year.

[Begin Caldera recording] I am convinced that this is a movement that no one will be able to interrupt. In Brasilia, President Fernando Henrique Cardoso pointed to the new reality taking place in Latin America. This new reality is precisely an understanding and affinity between Venezuela and Brazil. Before, we viewed Brazil as being too far away and distant. We viewed it as part of the Southern Cone, and maybe part of a reality far removed and different from our tropical Latin America.

You journalists are aware that sociologists have always been readily drawn to establishing virtually insurmountable differences between a European-style, industrialized, and developed Southern Cone and the tropical countries. Our tropical region, because of always having to deal with a harsh environment and situations dictated by nature itself, has been relegated to a permanent situation of underdevelopment.

This situation is now finally beginning to change. It is important for Brazil to be aware that it is not only a country situated in the Southern Cone, but that it is also in a tropical region. It must also understand that its tropical regions and states can contribute tremendously to the growth of both nations. [end recording]

Before returning to Caracas, President Caldera presided over the agreement-signing ceremony in which the governors of the Brazilian state of Rodaima and the Venezuelan state of Bolivar agreed to continue joint efforts to ensure balanced growth between both states and in which mining activities will play a fundamental role.

[Begin Caldera recording] Both states are convinced and committed to putting an end to illegal and irregular mining activities. They are also determined to wipe out contraband operations, activities detrimental to the environment, and every activity that violates the law. On several occasions some of these activities have proven to be detrimental to the Indian communities living in the region. In this respect then, there is a clear-cut determination on the need for cooperation between both governments to prevent abuses against the environment and the human population living in the area. [end recording]

President Caldera's presence in the Brazilian region of Manaus was a fitting moment for him to kick-off the Brazil-Croatia soccer game which, by the way, ended in a 1-1 draw.

Brazil: Venezuela's Caldera Addresses Congress

PA2205194996 Caracas Venezolana de Television Network in Spanish 0230 GMT 22 May 96

[Speech by President Rafael Caldera to the Brazilian Congress in Brasilia, Brazil; date not given — recorded]

[FBIS Translated Text] Mr. President in charge of the Federal Republic of Brazil, Mr. Vice President of Congress, Messrs. Senators, Messrs. Deputies, Ministers of State, diplomatic representatives of friendly countries, authorities, representatives of public and private corporations, ladies and gentlemen.

The Congress of the sister Republic of Brazil honors me very highly by receiving me in this solemn ceremony on the occasion of a meeting with President Fernando Henrique Cardoso. This occasion is full of positive assertions and hope. This represents an intense cooperation process between two countries, that nature has elected to place side by side in many aspects of life, so as to demonstrate their capacity to reach high levels in the economic and social development of their peoples.

I feel especially moved by the very kind speeches delivered by Senator Roberto Quiros, Deputy Andres Franco Montoro — my distinguished friend of years struggling and working together — and Deputy (Atti Alis), who have given their assessments of the friendship, positive assertions, and outlook full of prospects for the future work we are to carry out.

I feel just as if I were in my own home here at this Congress. I began my political struggle at this level of responsibility when I was elected — I was quite young at the time — deputy to the Venezuelan Congress for my home state. I have taken part in many meetings of Congress; I took part in a Constituent Assembly, and I have taken part in the Senate as senator for life after completing my first term in office as president. I therefore feel very convinced about what Congress represents.

I am sure that the task the governments of Brazil and Venezuela are set on accomplishing would be incomplete, unsafe, and would run the risk of not materializing, if the representatives of the people lacked this positive assertion, understanding, and effort. They are the ones tasked with relaying to their own communities the ideas, intentions, and programs that the governments are preparing, always aimed at substantially improving the lives of their peoples.

I also think that we are experiencing moments of exceptional characteristics — the globalization of the economy, the collapse of the Berlin Wall, and all the events that followed, which wiped out the specter from Eastern Europe — that have all led to greater economic world interaction, to greater affirmation of free market principles, not only in each nation, but internationally.

This forces us to be more aware of the need to strengthen ourselves and become integrated. This forces us to take up clear positions so that the economic recovery and the reactivation of our production and trade between our countries, will not lose sight of the goal that Deputy Andres Franco Montoro so eloquently pointed out in his speech, which is social justice.

Social justice has been achieved in the world through constant and tenacious efforts and, in a certain way, we can consider it one of the most important juridical principles in recent times. Social justice strives to achieve what is necessary for common welfare, establishing mechanisms to overcome unavoidable inequalities in a society and seek the possibility of a better life, through equitable means, for large sectors of the population that do not actively participate in the higher levels of the economy. We have tenaciously said that this social justice should not be limited to each nation's internal sector.

Social justice is a principle that must be implemented in the international community if we truly believe in that international community. If there is an international community, it is essential that relations between states be regulated by principles that were established by the people in each country through constant struggle, for each national community and at the service of its members.

These principles have apparently deteriorated. It seems that everything in a nation's life is being subordinated to simple macroeconomic norms. I respect those norms, and I am ready to abide by their basic demands. I have expounded in my country, as other Latin American heads of state have expounded, the need to adopt measures — some of them harsh — to put the economy on a sound basis and to achieve a basic stability so countries may develop and prosper. However, I think that in Latin America we must not lose sight of the lofty social commitments we have toward our people.

There is something important I must mention regarding the latest negotiations with international organizations.

We have defended the preeminence of social issues, and we have heard their highest-ranking representatives recognize time and again that the struggle against poverty is a basic commitment not only at the national level but also at the international level; and that the struggle against poverty and the social program for the nations' economic readjustment represents a basic ingredient without which all efforts exerted to restore, stabilize, and reactivate the economies would be foiled.

I know these ideas are in the hearts of all Latin American people of good will, and I am convinced that they are here among the Brazilian people's representatives. I think we must reassert these concepts with loyalty and honesty, without misconstruing positions and words. However, while realizing that we are working for our people's welfare and knowing that our people's welfare demands that we create all the options, opportunities, and possibilities to increase production and riches in an effective and healthy manner, we must also remember that our basic obligation is toward the human beings who comprise our nations. We are dutybound to work for them and fulfill the duties they have assigned to us.

Sometimes it is difficult to be understood. Many times confusion prevails regarding each side's position but, if we have a clear idea of what we must do and if we are willing to do it, I believe we can speak on behalf of Latin America and the world with a voice that inspires the idea of progress, peace, and unity among all people and all nations. It should always entail the affirmation that mankind is the basic goal we must all fulfill and that we must always demand.

Many problems prevail right now, but there are many possibilities and perspectives for a fruitful understanding between Brazil and Venezuela. I have stated with all loyalty that Venezuela is a small country compared to Brazil, but it is important for many reasons, not only for the affinity that exists between our human elements but also because of the way nature has made us in many complementary ways. That seems to have been forgotten for a long time.

If we have discovered this, it is a finding that compels us, forces us to continue a strong pursuit of service, cooperation, and interconnection among our nations. In my first term, I had the opportunity to be the first Venezuelan president to meet with a Brazilian president. I met with President Emilio Garrastazu Medici in Santa Elena del Uairen, located at the common border between Venezuela and Brazil.

Then, we became aware of the significance of getting closer, because we seemed to be very far apart. We ignored the fact that we were very close to one another, and we had neglected the possibility of establishing communications. We then committed ourselves to building a road linking Brasilia and Caracas; in other words, linking Manaus and Santa Elena del Uairen.

For our part, we built the road to Santa Elena del Uairen, and we are very pleased because we are convinced that the part of the road promised by Brazil is already being seriously and definitely built.

There are many paths of communications, and we have not sufficiently used, until now, the treasure nature gave us — the rivers. River interconnection is a reality imposed by the nature of things, the nature of reality, and this river interconnection, which past settlers took advantage of on more than one occasion, is present and is opening prospects and possibilities into which we have the duty to look.

The residents of Manaus, I mean Amazonas, the capital of which is Manaus, and Roraima, the capital of which is Boa Vista, have discovered that the shortest route they have to reach the Atlantic Ocean is through Venezuela and that the easiest possibility they have to obtain a number of resources and goods through trade is precisely found in relations with Venezuela. Santa Elena de Uairen, which was a small mission not long ago, has grown in two years and is running the risk of disorder and quickly becoming one of those cities that cause so many problems to our government. These cities grow in an irregular and disproportionate fashion, because the essential planning guidelines to truly become model communities were not established.

I understand that the same thing has not happened on this side of the border and that, in the former Roraima Territory — today Roraima State — the town of (Guavita) has become a modern city that, in many aspects, could be used as a model and guide for the urban planning of our continent's future cities.

However, we have the major problems of Amazonia, which is a vast region the settlers of other continents developed based on the destruction of natural richness and which the primitive ethnic groups intend to conserve as a kind of sanctuary where what is truly worthy of being kept is not being kept and where they want to maintain all diseases, shortages, and irregularities to which their communities have been subjected many times. [sentence as heard]

We are aware of this situation, and we care a great deal about and admire the scientific and government concern Brazil has about the problems with the Amazonia.

The sustained development of this region is important for us, because, if from a technical standpoint, the Venezuelan Amazonia is considered to be formed only by the territories located south of the Negro River, the truth is that all the Orinoco region, the Venezuelan Orinoco River Region [Orinoquia], is like an extension of Amazonia, because it has the same real, geographical, and natural characteristics, and even the same human settlements.

I believe that, in this regard, common efforts are necessary and admirable, and the large and huge mineral richness existing in this region requires planned efforts and common goals. In this regard, I must say that a good example of the new era of relations between Venezuela and Brazil has been the end of the unjustified protection that, on certain occasions, some people gave to the illegal miners who were destroying our natural resources and unfairly and unacceptably exploiting the mineral richness lodged in the earth's womb.

These are all problems that are common to both countries. Energy cooperation has been very rightly addressed. Venezuela has the privilege of perhaps being the Western Hemisphere's most important source of energy. Our wish and belief is that whatever we are able to contribute in this regard should be for the integration, strengthening, and identity that the peoples of Latin America need to forge. It is not literature what brings us together. The more globalized the economy becomes, the more the world becomes a global village, and until efforts are made to wipe out all trade barriers — which is praiseworthy and convenient for humankind — the greater the need for us to strengthen.

If we face international commerce in an isolated manner — small, weak, and without a clear awareness of what we need to do — we will then not obtain the benefits that this international exchange should produce and would possibly become victims of the ambition, abuse, and excesses of those who have more power, of those who know what they want, and those who are capable of abusing our weaknesses and shortcomings to impose on us conditions that are incompatible with justice and liberty.

Messrs. Senators, Messrs. Deputies, we face a long and attractive future. I feel happy that the Brazilian Government, that President Itamar Franco, and that President Fernando Henrique Cardoso have bolstered our common relations. This is truly in keeping with a historic duty that had been set out many years ago as our countries' destiny.

We have problems that we cannot resolve individually. The drug trafficking problem (?crosses) national borders and calls not only for truly intense cooperation, but also serious and responsible teamwork so we can halt the terrible damage that this activity inflicts on society.

We need to overcome other types of difficulties. Among these difficulties is unemployment, which is a threat that we need to face with reason. We cannot make believe that simple macroeconomic developments can resolve this and other social problems. We have to ensure that the state's protection and encouragement also include those activities capable of generating more jobs and greater possibilities for life.

There are industries such as tourism, which seem a novelty, but can yield far more than what they currently produce in Latin American countries. I somehow compare tourism with communicating vessels. Generally, economic resources flow easily from the places where they are abundant to the places where they are scarce. At the same time, they can also be a fantastic factor for communication and understanding between peoples.

For example, I admit that tourism played an important role during the Franco regime in Spain, preparing the spirits for the peaceful transformation that took place when the old dictator died and when a transfer became possible from a hermetic 40-year dictatorship to a democratic situation, without shedding blood and without reliving the cruel, harsh, and tiring hatreds during the time of the Civil War.

I believe that there is much we can accomplish with respect to this issue, and I am pleased to say that currently, Brazilian tourists constitute the main visitors to the resort island of Margarita. This postulates an interaction that involves exchange, recognition, and friendship between both nations.

Let us make no mistakes. Rapport between governments is not sufficient for the integration process to effectively go along; it is also essential to have friendship and kinship.

Without any doubt, these are issues that constitute our main concern, just as we are disturbed about, for example, the corruption issue. This problem is so deeply rooted in many of our nations that it requires most of our efforts.

To this we must also add all the machinations and attempts aimed at foiling all efforts against corruption. However, we are confident that here in Brazil, this Congress, just as in Venezuela and its three branches of government, there is the firm determination to attack this evil. Its eradication will not come in a matter of a few days or a few hours but will require tremendous effort, consistency, and conviction.

All of this, Senators and Deputies, is one of the many topics included in an agenda, which is not limited merely to the electrical interconnection project which, as Mr. Deputy (Atti Alis) has fittingly pointed out, means so much to both countries. Not only does this project mean more commercial exchange, which is undoubtable, but we also have an interest in implementing and executing a concrete sustainable development project for the vast Amazonian region.

This is a commitment not only toward our nations but also toward humanity. There are numerous problems still to be resolved. In this respect, it is critical for us to contribute all our collective experiences and our common fears so that we can find joint solutions. The basic concepts of these solutions we must adequately explain to our respective countries before the start of the 21st century. If we fail to do this, it will be impossible for us to achieve economic and social development.

Senators and Deputies, at this time I would like to reiterate the tremendous affection and admiration I, as well as many Venezuelans, feel toward this great nation. It is Latin America's main industrial nation. It is the Latin American hemisphere's most powerful country. It is a country that can set standards in many aspects and everyday activities. It is also a country that is understanding and cooperative toward its northern and southern neighbors.

After all, Brazil can and is more than willing to serve as a link of understanding and communication between those of us who are north of the Latin American continent and those who are south. Various situations have dictated that some of the nations in the region have been able to achieve more advanced economic and social development.

All of this then, I ratify with deep conviction. This rapprochement to Brazil is not by mere chance. If I recalled my 1973 meeting with President Anastasio Medici, it was simply as evidence that ever since then we were deeply concerned about the issue of the sustainable growth of the Amazonian region and for ensuring growing cooperation between our both nations.

We have finally realized, even though we have had it right before our eyes, how much synergy there is between both of us, how natural our exchange is, and how easy communication can be. Romaina Governor Neivo Ocampus and Amazonas Governor (Amazoneno Mendes) have found out that it is much easier to travel to Caracas than to Rio de Janeiro, and this is much easier than traveling to southern Brazil.

It is not just geography; there are also other conditions that make things easier. By new conditions, we are referring to the perception both nations are now uncovering, one that entails, as President Cardoso already pointed out, a new reality. This new reality that has now arisen in the overall relationship between the South American nations is a reciprocal rediscovery by Brazil and Venezuela which links us, commits us, and prompts us to forge ahead with this project.

I am quite sure this is neither a government nor a political project, but one that belongs to the people represented by government institutions and civilian society, which is now uncovering this new hemispheric novelty that had been close to our eyes for a long time.

I express my most sincere wishes for Brazil's prosperity, and I am truly pleased that Brazil has been able to achieve an economic stability that is essential for its future development. I am also profoundly pleased that Brazil has shown indications of how it has been able, within its democratic institutions, to implement an anti-inflation program. I am also glad that today it has an economy which has, perhaps, Latin America's lowest inflation rate.

Messrs. Senators and Deputies, there were — why not say it — moments in which people only said that the more iron-clad the military dictatorships were, the more able they were to make the economic adjustments the people were demanding and fight the final, victorious, and decisive battle against inflation.

Brazil has admirably shown that this victorious campaign against inflation can be conducted while keeping the democratic system and while waging a head-on fight against corruption.

This is a reason for admiration, sympathy, and recognition by all Latin American countries, because these are the times to prove that democracy is not the worst government system, except for the others — as Prime Minister Winston Churchill said — but that democracy is the best government system. [sentence as heard]

However, it is a well understood, exercised, and practiced democracy with a resolve to offer services and with an unbreakable determination to give the people what they expect, and, in this regard, make them feel that they themselves are the makers of their destiny, because the basic objectives of progress, advancement, betterment, and well-being of nations are achieved through their resolves.

Messrs. Senators and Deputies, I stress my profound gratitude to this high-ranking body and to this beautiful and formidable nation that is Brazil for the warm welcome we have received. I will take to Venezuela a clear message of friendship, sincerity, and resolve to cooperate, which are essential and necessary for the future of our peoples. Thank you very much. [applause]

Brazil: Minister Views Foreign Protests on Auto Policy

PY2705120596 Sao Paulo GAZETA MERCANTIL in Portuguese 23 May 96 p A7

[Article by Isabel Versiani]

[FBIS Translated Text] Industry, Commerce, and Tourism Minister Francisco Dornelles has told GAZETA MERCANTIL that the criticisms made by Japan, Korea, and the United States of the Provisional Measure on the Brazilian car policy are "normal" and that Brazil does not intend to modify such Provisional Measure. "We understand that the Provisional Measure does not go against the rules of the WTO," the minister said. He added that the countries that feel harmed by it "have their total right to protest."

Itamaraty Economic Department Chief Jose Alfredo de Graca Lima also said that the reaction of Japan and Korea during the WTO meeting was not "a particular surprise" to the Brazilian administration. He stressed that Brazil filed for a "waiver" not to observe the term of warning of implementation of the measure before the WTO precisely in order to answer the questions of its trading partners on the subject. This strategy will not be modified because of the protests raised yesterday, De Graca Lima said, as he recalled that the consultations will begin next June.

Brazil: WTO Decision on Gasoline Exports to U.S. Applauded

PY2705224896 Sao Paulo GAZETA MERCANTIL in Portuguese 21 May 96 p A4

[Article by Maria Helena Tachinardi in Brasilia]

[FBIS Translated Text] REUTERS has reported that the WTO established on 20 May that the United States must modify its legislation about gasoline imports, which has been deemed discriminatory by the Brazilian and Venezuelan Governments. The two countries have appealed to the WTO and were granted a victory by a panel (a committee of experts who have arbitrated the complaint). The United States has appealed, but has again lost the case. The U.S. Government now has 30 days to modify the law or pay compensation to the two harmed countries.

The WTO's final ruling considered the decision reached by the appeal committee — the Dispute Settlement Body (DAB) — in accordance with which the U.S. Government did not seek to exploit environmental protection measures preventing trade discrimination. Washington states that gasoline produced in Brazil and Venezuela cause more environmental damage than the gasoline produced by U.S. refineries.

"The U.S. Government has been analyzing the facts and still has not made any decision," the U.S. Embassy in Brasilia reported on 20 May. Foreign Minister Luiz Felipe Lampreia and the Brazilian Petroleum Corporation have considered the WTO decision a victory for the country.

Lampreia was in Washington the previous week and met U.S. Trade Representative Arlene Barshefsky. The foreign minister has reported to this newspaper that he had told Barshefsky that Brazil will not give up its rights. He asked that the Brazilian Government be informed, beforehand, about the attitude the United States will take regarding the WTO decision. "We are analyzing the practical implications. Talks will continue," he said.

Luis Giusetti, president of the Venezuelan Petroleum, Inc. (PDVSA), who is now in Brasilia accompanying Venezuelan President Rafael Caldera, has reacted cautiously. "We must analyze the measure within a broader context. We must remember that 70 percent of the Venezuelan oil production goes to the United States. Our relations are positive and discomfort will not deteriorate relations between Venezuela and the United States," he said.

Venezuelan Foreign Minister Miguel Angel Burelli Divas, has commented that his country and the United States "are conducting talks in order to find out how the problem can be solved," including the possibility of a "direct compensation."

Although considering the measure discriminatory, the PDVSA "has never stopped selling gasoline" to the U.S. market, where it has a network of nearly 13,000 supply posts. Giusti does not talk about losses, but about opportunity cost, i.e., the state-owned company failed to profit by meeting some requests of the legislation, such as adding two components to its gasoline.

The focus of the dispute between the United States, on one side, and Brazil and Venezuela on the other side is a norm of the Environmental Protection Agency (EPA), dated 1993, which — based on the Clean Air Law — establishes for imported gasoline higher quality standards than those requested from the local U.S. refineries. This EPA norm will expire in 1998, when standards for imported gasoline and the local, "reformulated" one will become identical.

According to REUTERS, the United States must make clear, probably during the next DSB meeting, on 19

June, whether it will give up the EPA clause or negotiate a compensation with Brazil and Venezuela.

Dispute over gasoline import-export is the first dispute since the WTO was created 17 months ago and compliance with this ruling is being considered fundamental for the organization's credibility and success.

Brazil: Import Quotas Set For Textiles From China

PY2405032196 Sao Paulo AGENCIA ESTADO in Portuguese 2129 GMT 23 May 96

[Report by Aldo Renato Soares]

[FBIS Translated Text] Brasilia, 23 May (AE) — For the first time since the Brazilian trade opening started under the Collor administration in 1990, the Brazilian Government has decided to adopt import quotas to protect domestic industries against predatory competition. Industry and Commerce Minister [MICT] Francisco Dornelles today announced that import quotas will be imposed on textile products from China, South Korea, Taiwan, Hong Kong, and Panama.

In accordance with Interministeral Decree 7, which was published today by the official gazette, the quotas — which will go into effect on 1 June — will be in force for three years, and could be increased by 6 percent annually, depending on the market behavior. Dornelles said this decision should not be interpreted as a step backwards in the trade opening process. Alluding to the unfair trade practices of Asian countries, Dornelles said: "The opening is irreversible, but no one can do as he pleases in Brazil."

Dornelles stated that the Brazilian textile industry has been hard hit by the trade opening. The number of textile companies dropped from 832 in 1994 to 771 in 1995, and to 621 to this date. Most of them are medium-sized companies and are concentrated in the Sao Paulo districts of Americana, Nova Odessa, Sumare, and Santa Barbara D'Oeste.

The folding of these companies pushed unemployment upward. In 1994, there were 88,472 workers employed in the textile industry. In 1995, there were 72,857 workers. More than 20,000 workers have lost their jobs in the Americana district alone during this period. Import quotas are safeguards included in decree 1488 of 11 May 1995, which regulates the WTO agreement on textiles and garments.

The Brazilian Government now has five days to inform those countries affected by these quotas. MICT advisers noted that imports of some textiles climbed by 112 percent in 1995. Import licenses for textiles totaled $21 million in January. In March, these licenses already climbed to $45 million.

Dornelles stated that those sectors feeling that they have been hurt by the competition posed by imported items should not ask him for measures. He noted that a pre-established procedure must be followed. Affected companies must set a process in motion at the MICT Foreign Trade Department and meet the established deadlines.

Dornelles noted that technical guidelines will be followed in deciding these complaints. He said: "The MICT will not turn into a hospital for companies." He urged industrial companies to seek modernization, to increase productivity, and to improve the quality of their products. He said he does not believe the imposition of quotas on imported textiles will result in domestic companies increasing their prices, as happened with vehicles after the government raised import tariffs from 20 to 70 percent.

Brazil: Foreign Minister Opens Seminar, Views Auto Policy

PY2705201896 Sao Paulo GAZETA MERCANTIL in Portuguese 24 May 96 p A5

[Article by Maria Cristina Fernandes]

[FBIS Translated Text] Foreign Minister Luiz Felipe Lampreia said yesterday in Sao Paulo that Brazil will not retreat as a consequence of the pressures exerted by Korea, Japan, and the United States at the WTO over the provisional measure on the Brazilian car industry policy that established a 70 percent import tariff on car imports with the purpose of benefiting car companies installed or about to install in Brazil.

"There is nothing new in such pressures. They only voiced a position that was already known," Lampreia said. The minister denied that the pressure by the three aforementioned countries at the WTO will make Brazil revoke its provisional measure on car policy. "The provisional measure was reissued and its annulment is not being taken into consideration."

Brazil, the foreign minister said, anticipated the WTO reaction through a "waiver" [preceding word in English] (pardon) petition sent to the institution when the provisional measure was about to be issued.

As the only observation, Lampreia left open the possibility of negotiations to review the mechanisms foreseen in the provisional measure. "We will not revoke the provisional measure because we cannot leave a legal vacuum in this sector. We will negotiate, but our concern is not to harm the 60 contracts signed by the Brazilian car industry within the norms of the provisional measure," the minister said.

Lampreia also commented on the complaints filed by the Brazilian electronic and toy industries, which demanded sanctions for the irregular trade practices engaged in by Paraguay. "We are attentive to the violation of Brazilian trademarks and patents in Paraguay, but measures will be adopted jointly among the Mercosur [Common Market of the South] partners."

A few minutes before opening an international seminar on globalization sponsored by the Economy and Business Administration School of Sao Paulo University, Minister Lampreia defended the opening of the economy as a challenge to competitiveness. He said that those who will mainly benefit from it are the consumers, and it forces governments to avoid measures that disrespect international norms.

Brazil: Social Security Reform To Stay on Congress Agenda

PY2405004096 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 23 May 96

[Report by Carlos Alberto in Brasilia]

[FBIS Translated Text] The administration will maintain the social security reform proposal in Congress. President Cardoso will not discuss the social security reform or the consequences of its rejection in Congress on television. The consequences will be explained by the ministers. Presidential spokesman Sergio Amaral ruled out withdrawing the social security reform proposal from the congressional agenda.

[Begin Amaral recording] The government will not withdraw the proposal. The administration will struggle for the approval of the reform because it considers that it is necessary for the country and it will struggle for its approval with all the means that the legislative procedures allow. [end recording]

Amaral also said that the government hopes to reverse the situation in the Senate. He also confirmed President Cardoso's trip to France and the fact that he will not give a news conference before departing for Paris.

Brazil: Finance Minister Views Social Security Issue

PY2505033496 Rio de Janeiro Rede Globo Television in Portuguese 2251 GMT 24 May 96

[Address to the nation by Finance Minister Pedro Malan from his office in Brasilia — recorded]

[FBIS Translated Text] Good evening. You as a worker, a housewife, I as a public official, must deal every day with something that is very important. All of us know that we can spend only what we have. Whoever spends more than what he has runs the risk of losing everything. The same thing happens with the administration. When the administration systematically spends what it does not have, the consequences are debts, imbalanced accounts, high interest rates, and a chaotic inflation — under which we have already lived and to which I believe not one Brazilian wants to return.

The transformation of Brazil into a fairer country requires several reforms, some of which are the tax reform, the administrative reform, and the social security reform. Why is the social security reform so important? For two reasons. The first reason is because of a matter of justice. The current system is unfair from the social point of view. The second reason is a matter of the budget. The administration can only guarantee payment of retirement pensions if it has money for them.

There are two different kinds of retired workers in this country. One involves the workers covered by the INSS [National Social Security Institute]. They number nearly 16 million. They generally work until 60 years of age and contribute to the social security system for 35 years.

The other group is comprised of workers who have a right to special retirement systems. For example, the current laws allow public workers to retire under 50 years of age and receive a pension higher than the salary they earned when they worked. There are cases in which the retired public worker contributed to the system for less than 10 years.

The workers that retire under the INSS earn an average pension smaller than two minimum salaries [$200] per month. Meanwhile, some retired public workers earn pensions of 20,000 reals. Some retired public workers even collect one, two, three, or even four different pensions.

It is not hard to image who pays the bill. The bill is paid by the entire society, by all the people. If this situation continues, we will be forced to increase the government debts, which, among other things, will not allow the reduction of the interests rates. The bill will be paid not only by us, but will ultimately have to be paid by our children and grandchildren.

Brazil is the only large country in the world where these distortions and injustices take place. Let me quote the example of Europe. In Europe, public employees retire at an average age of 65, earning from 70 to 80 percent of the salary they earned when they worked, and after having contributed for 35 years to their retirement system. Brazil is the only country in the world that pays certain categories of public employees an additional benefit for retirement.

The federal administration currently spends on retired workers almost as much as what it spends on those who are actively employed. In many states and in some municipalities, there will soon be more people earning without working than people working. Look, we do not ignore that there are many retired workers who deserve to earn a good retirement pension. The question here is who must pay the bill for the retirement pension benefits when there are not enough contributions to pay for it.

As long as workers retire under 50 or 40 years of age, there will not be enough money to pay fair retirement pensions. The administration would like the discussion to be centered only on this simple and crucial aspect.

My dear listeners, those who say that the administration was defeated in the voting session on the social security reform in Congress on 22 May are wrong. No, the administration was not defeated. The country was defeated. The social security reform is not meant to benefit the administration of Fernando Henrique Cardoso. It was designed to obtain results for the future. We have the certainty that if the system is not reformed, it will directly go bankrupt.

If nothing is done now, the social security system will go bankrupt in the near future. Going bankrupt means not having money with which to pay for retirement pensions. As this is unthinkable, the system will inevitably have to be deeply reformed at some moment. Postponing the decision means increasing costs, perhaps even without ensuring acquired rights. The government social security reform proposal ensures the acquired rights of the workers. Therefore, it is certainly preferable to begin the reform now.

The administration has a commitment to the Brazilian people, not only those of the present, but also those of the future. Cardoso was elected to place the country on the right track, firmly, fairly, with stability, with growth without inflation. We will not elude our responsibilities, even if we must pay the cost of not being understood for the time being. This is why we will continue insisting on the social security reform and on the other reforms.

I ask you, who are listening to me, to reflect on these matters. Looking around you, you will see who is against the reform. There certainly are some people of good faith who oppose the reform. But there certainly are three other categories of people who oppose it: Those who are playing their role of constituting the opposition, who are interested in the administration faring poorly, but who are also mistakenly thinking that the country must fare poorly so that they can obtain political gains. There are those who simply try to obtain small personal advantages through direct and indirect acts of political opportunism. Finally, there are those who are against the reforms so that they can maintain their privileges without taking into consideration who will pay the bill. And in the end, the one who will pay the bill is you, my dear listener. Good evening.

Brazil: Senate Authorizes Foreign Loan for Building Sivam

PY2405003096 Sao Paulo AGENCIA ESTADO in Portuguese 2231 GMT 23 May 96

[FBIS Translated Text] Brasilia, 23 May (AE) — The Senate has approved the resolution authorizing the federal government to contract a $1.4 billion foreign loan for the implementation of the Amazon Region Surveillance System (Sivam). It was approved by a vote of 47 to 13, with one abstention. Senator Antonio Carlos Magalhaes (PFL-BA) [Liberal Front Party-Bahia] was the one who abstained. He said that he could not vote because he was president of the special committee, made up of members from three other Senate committees, that analyzed the Sivam project.

Brazil: BNDES To Grant Special Credit for Textile Firms

PY2505004896 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 May 96 p B3

[Article by Elisabeth Karam]

[FBIS Translated Text] Florianopolis — Luis Carlos Mendonca de Barros, president of the National Bank for Economic and Social Development [BNDES], reported in Florianopolis [Santa Catarina State], on 17 May, the establishment of a program for the national textile industry, which will have lines of credit with longer payment terms and lower costs. According to the BNDES, the objective is to restore the area's competitiveness. The textile industries have had the most difficulty in competing in the domestic market with products manufactured in other countries. The program will probably be launched in one or two weeks and consists of reducing the cost of the BNDES services from 3 to 2 percent (plus Long-Term Interest Rate), increasing the portion of the loan that will be financed from 65 percent to 80 percent, and extending the six-year term payment to eight years. For the sake of calculations, investments already made in the last 12 months can also be associated with the working capital. In this case, the term for payment of the loan will be from three to four years and will have a 20-million real ceiling.

Another new aspect of the program is the inclusion of a financing line for exporting of ready-made clothes. So far, the BNDES only facilitated exporting of machinery and equipment. The definition of a new type of relationship between the BNDES and small and medium- sized enterprises will also be part of the program. The bank will allocate resources to be moved through the banking system and will assume part of the risk.

The resources to be used in improving the situation of the textile area will come from the Pro-Job program, which was launched recently by the president of the Republic. There is no preestablished amount. BNDES Planning Director Sergio Besserman Vianna said: "As the program is a priority, whatever demand there is, it will be met."

Brazil: Commentator Views Telebras Profitability

PY2405224496 Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 May 96 Section 1 p 9

[Commentary from Celso Pinto's column: "The Telebras Gold Mine"]

[FBIS Translated Text] How much is the Brazilian Telecommunications, Inc. [Telebras] worth?

On the stock market it is now worth $15.5 billion, although its assets total $26 billion. The company is highly profitable, its market has an extraordinary potential, and it operates in the area that attracts more investors worldwide. Telebras is worth half of what similar Latin American enterprises are worth on the stock market if we consider the small proportions of its installed terminals.

Why? The main reason is that there are risks involved in the privatization process. In addition to involving an obvious matter of power, the privatization strategy can decisively affect the company's value.

For the time being, the administration has only defined rules for privatization of concessions of the so-called cellular telephony B-band, which is now in the hands of the state-owned companies. Nevertheless, there are only hypotheses regarding the future of the Telebras subsidiaries, the so-called teles.

One of the factors that complicates the situation of Telebras is its stock ownership control. The federal administration controls the holding [preceding word in English] with only 23 percent of its overall capital (52 percent of the ordinary shares and 3.7 percent of the preferential ones). Telebras controls 27 teles, plus Brazilian Telecommunications Company [Embratel], with different portions of their capital.

In the case of Sao Paulo Telecommunications [Telesp], for example, which is the largest and most desired of the teles, Telebras has 78.5 percent of the overall total. Its participation in Minas Gerais Telecommunications is equal to 84 percent, in Rio de Janeiro Telecommunications to 82 percent, and in Parana Telecommunications, 75 percent.

This means, by way of example, that if the administration privatizes Telesp, which has assets worth $8.5 billion, it will receive 23 percent of the 78 percent it owns, or 18 percent of the overall price, if it sells all of its shares. The rest will increment the Telebras assets.

The market's potential is gigantic. In 1994 figures, which were mentioned in a Citibank report, Brazil had 8.3 terminals per each 100 inhabitants and occupied 43d position in terms of international ranking [preceding word in English]. This number of terminals was below the average (11.9), and far behind Brazil's economic importance.

The administration plans to increase the number of terminals from the 14.8 million existing in 1995 and to have, by the end of 1998, 30 million terminals. To do that, the administration plans to invest $33 billion in the project. The largest jump will take place in the area of cellular telephony: From 1.5 million terminals in 1995 to 6 million in 1998. The participation of cellular telephony in the overall telephony area will jump from 11.5 percent in 1995 to 26 percent in 1998.

Cellular telephony, which represented 4.4 percent of Telebras profits in 1994, increased to 12 percent in 1995. This year, the number of terminals more than doubled. As the Citibank report pointed out, the area of cellular telephony is the one that "presents a larger margin of profit in view of the price charged users and the low cost of investment and maintenance."

Cellular telephony is attractive for the aforementioned reasons and because the conventional telephony area moves slowly and keeps a repressed demand. By selling the area of cellular telephony first, the administration will maximize the value of the concessions. In the medium term, however, the private area success will affect the value of the teles.

What is better, from the strict point of view of the Treasury? The concessions money will go straight to the federal administration coffers, while only 23 percent of the money resulting from the future sale of the teles will. Theoretically, the rest will have to be divided among the small shareholders.

Telebras President Fernando Xavier Ferreira says that, even so, the administration should privatize the teles and take care not to devaluate them or harm the small shareholders.

Despite all that, however, there is distrust. Once the money resulting from the privatizations is in the Telebras coffers, the administration's creativeness can function and the money can be earmarked, for example, for some compulsory investment or an investment fund.

It is due to this risk that the market makes a discount in the price of Telebras shares. It is also for this reason that defining the model for privatization of the telecommunications area is worth billions.

Citibank believes that the administration will sell blocks of shares of the reorganized concessionaires, but will maintain control over them and possibly open the enterprises to a shared management with international operators. In a second stage, these enterprises may be privatized. Everything will probably be done very slowly. Estimates hold that privatization of the telecommunications services "will probably not begin during this administration."

Brazil: Impact of Nuexco Bankruptcy on Uranium Viewed

PY2305200996 Sao Paulo AGENCIA ESTADO in Portuguese 0025 GMT 23 May 96

[FBIS Translated Text] Rio de Janeiro, 22 May (AE) — A contract signed in April 1994 by Nuclear Industries of Brazil (INB) and Nuexco, an enterprise with Swiss-U.S. capital, has dealt another blow to the Brazilian Nuclear Program. Beside going bankrupt without returning 27.3 tonnes of uranium yellow cake [two preceding words in English] that belonged to the INB, Nuexco committed the entire Brazilian reserves of enriched uranium (the final stage uranium undergoes before feeding a nuclear plant) which were deposited in Germany under the custody of Siemens AG.

Thus, Brazil — which has the Angra-1 nuclear plant operational, which supplies 20 percent of the energy to Rio de Janeiro, and Angra-2 under construction — has lost its entire reserves of uranium, which is the only fuel used in this sort of plant. The problem is alarming because 140 tonnes of uranium will be needed to renew Angra 1's fuel cells in 1997, and 600 tonnes is needed to make Angra-2 operational in 1998. These figures were supplied by Alexandre R. Oliveira, INB spokesman and head of the INB Security, Quality, and Environment Department.

Some $745,000 is needed to replace the 27.3 tonnes of yellow cake that Nuexco has failed to return. The spot [preceding word in English] — for immediate sale — price of one pound of uranium (half a kilo) is now $12. If [sentence unfinished, as received].

This is a "minor" problem, however, compared to the virtual chaos unleashed by Nuexco's bankruptcy. Before going bankrupt, Nuexco used the contract it had signed with INB to guarantee a loan from a pool of banks led by the Swiss Banks Union. In that way it borrowed nearly 400 tonnes of uranium that it was to have returned to Brazil in preestablished amounts and on preestablished dates. But the INB only delivered 275.7 tonnes of yellow cake to Nuexco, for which it received $1.7 million.

Rumors on the international market of Nuexco's imminent crash prompted the INB to advise the enterprise that it would not fulfill the rest of the contract. Nuexco returned a total of 135.5 tonnes of uranium to the INB and owes another 27.3 tonnes. Before going bankrupt, the two parties agreed the remaining 112.9 tonnes had been purchased through a leasing contract, that is, they were sold to Nuexco for the $1.7 million that was paid at the moment of signing the contract.

The pool of banks has now filed a lawsuit against Nuexco at the German courts and the entire block of Brazilian enriched uranium has been embargoed. Oliveira tried to minimize the seriousness of the situation by explaining that INB has another 90 tonnes of uranium in stock and is considering the possibility of "continuing to exploit" the Pocos de Caldas (Minas Gerais) mine, which has been closed. This will not be enough even to meet the needs Angra 1, which requires 140 tonnes to refuel it next year.

The INB spokesman said: "The enterprise is analyzing what it will do to cover the nearly 50-tonne difference. We will use what is available." For the initial 600-tonne fuel load for Angra 2, Oliveira said the INB is relying on the Lagoa Real (Bahia) field, which will start producing soon. The problem is that INB does not even have the Environment Impact Report (Rima), which is mandatory to commission the mine, and will not get it for another three years.

Brazil: 'Text' of Telecommunications Bill Published

PY2405033596 Sao Paulo GAZETA MERCANTIL in Portuguese 15 May 96 p A8

["Text" of telecommunications bill approved by the Chamber of Deputies on 14 May]

[FBIS Translated Text]

SCIENCE, TECHNOLOGY, COMMUNICATIONS, AND INFORMATICS COMMITTEE — AMENDMENT B TO DRAFT LAW 1287/95

Provisions of the bill dealing with telecommunications services and their organization, the telecommunications regulatory agency, and other provisions.

Sponsor: executive branch.

Rapporteur: Deputy Arolde de Oliveira

The national Congress decrees:

Article 1. This law, Laws 8987/95 and 9074/95, and — to the extent compatible — all other telecommunications laws now in force will regulate the organization of telecommunciations services, the rendering of Mobile Cellular Services, of Limited Services, of Transport Services for Satellite Telecommunications Signals, as well as the use of the public telecommunications system for supplying Value-Added Services [Servico de Valor Adicionado].

Article 2. The organization of telecommunications services, in accordance with the provisions of current laws, especially Law 4117 dated 27 August 1962, will abide by the provisions of this law in terms of the services mentioned herein.

Paragraph 1 — The Cellular Mobile Service is a mobile, ground telecommunications service, compatible with the public system, and using cellular radio communications services — as described in the implementing laws — which is interconnected to the public telecommunications system and accessed through portable receivers that are carried on vehicles and intended for individual use.

Paragraph 2 — Limited Service is a telecommunications service that is intended for use by the implementing party itself or by third parties, as long as these constitute just one group of companies or individuals engaging in a specific activity.

Paragraph 3 — Transportation Service for Satellite Communications Signals is a telecommunications service which, through the use of a satellite, receives and transmits telecommunications signals using predetermined radio frequencies.

Article 3. Mobile Cellular Service will be supplied by a concessionaire that will be selected through a public tender, for a 15-year-period, which is renewable for equal periods, in accordance with the provisions of Article 11 of this law.

Single paragraph — Those companies in charge of exploiting Public Telecommunications Services must make their systems available for interconnection with the Mobile Cellular Service under adequate, fair, and nondiscriminatory terms.

Article 4. The executive branch will convert into concessions for Mobile Cellular Services those permits that had been granted for Restricted Public Ground, Mobile Radio Communications Services prior to the enactment of this law, under terms that would be similar to contracts for the concession of Mobile Cellular Services, taking into account the respective remaining periods of the permits.

Single paragraph — Those companies which, in accordance with the provisions of this article, may become concessionaires of Mobile Cellular Services will have to constitute, either separately or in partnership, no longer than 24 months after the enactment of this law, companies that would replace them as suppliers of these services.

Article 5. To comply with the provisions of the single paragraph of Article 4, Brazilian Telecommunications, Inc., Telebras, is hereby authorized to build directly, or through the companies it controls, subsidiary or affiliated companies charged with supplying Mobile Cellular Services.

Article 6. Whenever appropriate, and in keeping with the best public interests, the executive branch will order the sale of the shares owned by Telebras, or its controlled companies, in those companies constituted as described in Article 5.

Article 7. A Limited Service, when it is intended for use by the implementing company itself, will require an authorization for an undetermined period, dispensing with a bidding process; when it is intended for services to third parties, it will be implemented through a permit granted to a company constituted in accordance with Brazilian laws and having its seat and administration in the country, for a period of 10 (ten) years, which can be renewed for equal periods.

Article 8. The Transportation Service for Satellite Communications Signals, when involving satellites whose orbital positions have been registered by Brazil, will be supplied under concession for a period of up to 15 (fifteen) years. This period can be renewed for similar periods, as long as the provisions of article 11 of this law are observed.

Paragraph 1 — A concession will grant the concessionaire the right to place its satellites in orbital positions registered by Brazil and will assign the respective radio frequencies to the concessionaire. Satellite control stations must be located in Brazilian territory.

Paragraph 2 — Those companies which, as of the enactment of this law, are supplying Transportation Services for Satellite Communications Signals, through the satellites whose orbital positions have been registered by Brazil, are hereby guaranteed the right to earn the concession of this service.

Paragraph 3 — Authorizations for supplying this service will state that such services may effectively start only after 31 December 1997, except in cases when the services may require technical characteristics that are unavailable in satellites for which, as of the enactment of this law, Brazil may have already registered orbital positions.

Paragraph 4 — The Transportation Service for Satellite Communications Signals may be rendered to any company having an authorization to supply telecommunications services, and an egalitarian, nondiscriminatory treatment should be accorded to every interested party.

Article 9. The exploitation of satellite telecommunications services, in any of its forms, will be subject to a specific authorization, conforming to regulations, irrespective of whether the system is being accessed from within the national territory or from abroad.

Paragraph 1 — Preference will be given to the use of satellites placed in orbital positions registered by Brazil, although the use of satellites in orbital positions registered by other countries is also admitted.

Paragraph 2 — The use of satellites placed in orbital positions registered by other countries will be subject to prior coordination with the Brazilian administration in terms of orbital positions and associated frequencies, and of a contract being signed with companies that have been constituted in accordance with Brazilian laws and that have their seat and administration in the country, as well as a legal representative in Brazil.

Article 10. The Value-Added Service hereby guarantees to any user the use of the public telecommunications system.

Single paragraph — Value-Added Service is an activity characterized by rendering additional services to a basic telecommunications service, and creating new uses concerning access, storage, presentation, movement, and retrieval of information, but without entailing a telecommunications service.

Article 11. Concessions for the exploitation of Mobile Cellular Services and for Transportation Service for Satellite Telecommunications Signals can be granted only to companies constituted in accordance with Brazilian laws and having their seat and administration in the country.

Single paragraph — For a period of three years following the publication of this law, the executive branch may adopt, in those cases in which national interests may so dictate, limits to the composition of capital of the concessionaires mentioned in this article, by requiring that at least 51 percent of the capital belong, directly or indirectly, to Brazilians.

Article 12. Processes for granting authorization to supply the services regulated in this law will have to include requirements designed to promote a diversity of stock control of the concessionaires in order to stimulate competition.

Single paragraph — In exploiting telecommunications services on a commercial basis, steps will be taken to guarantee that the various systems are interconnected and that they can operate jointly, with fair competition among the respective suppliers of services and an equitable use of the respective numbering system.

Article 13. The National Communications Commission — CNC — is hereby created. The CNC is the regulatory agency mentioned in Article 21, Section XI, of the Constitution. It can make decisions on its own, and will enjoy both budgetary and financial autonomy. The CNC's powers and structure will be established by a special law, and the executive branch will have to submit the respective bill to the Congress within a period of 6 (six) months following the enactment of this law. Once this period elapses, Congress and the executive branch will be equally empowered to submit proposals on the subject.

Single paragraph — Until the CNC is installed, the Communications Ministry will exercise the functions of a regulatory agency, pursuant to the powers to regulate, grant, and oversee telecommunications services bestowed upon it by the laws.

Article 14. The federal government is authorized to collect a fee from those authorized to supply telecommunications services and from those using radio frequencies.

Single paragraph — Funds stemming from collecting the fees mentioned in this article will be earmarked for the Communications Ministry, which will invest them in developing services and in exercising its powers as a regulatory agency.

Article 15. The Telecommunications Stabilization Fund, which was created by Law 5070 dated 7 July 1966, will continue to abide by that law.

Article 16. This law will go into effect on the date of its publication and will provoke the repeal of any law that may contradict it.

Brazil: PSDB-PFL Alliance in Sao Paulo Said 'Broken'

PY2805031496 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 27 May 96

[FBIS Translated Text] An alliance formed by the PFL [Liberal Front Party] with the PPB [Brazilian Progressive Party] of Sao Paulo Mayor Paulo Maluf has caused Sao Paulo Governor Mario Covas to dismiss his secretaries who are linked with the PFL. Agriculture Secretary Antonio Cabrera, who is also the PFL regional leader, is one of those dismissed.

After spending months saying no, Planning Minister Jose Serra was close to accepting his nomination as the PSDB [Brazilian Social Democracy Party] candidate for the Sao Paulo mayoral elections. Yet, on 24 May, leaders of the Sao Paulo PFL branch — which has been allied with the PSDB since 1994 — decided to change sides and announced its endorsement of Maluf's PPB candidate for the upcoming elections.

The PFL decision to withdraw its support for the PSDB candidate to the largest city government in the country has already provoked tangible consequences.

Governor Mario Covas announced this afternoon that the PSDB-PFL alliance in Sao Paulo has been broken. He also announced that he had dismissed the two secretaries nominated for his administration by the PFL. One of them is Agriculture Secretary Antonio Cabrera, who is the regional PFL president. Cabrera said the Sao Paulo situation will not affect the national PFL-PSDB alliance.

[Begin recording] [Cabrera] As far as the PFL is concerned, this situation will in no way affect the national alliance.

[Covas] The only state in which the PFL has chosen to join the PPB to the detriment of the PSDB is Sao Paulo. Thus, I do not see why it should undermine the national alliance. [end recording]

The other official dismissed by Covas is Housing Secretary Antonio Duarte Nogueira Junior. As a result of the collapse of the PFL-PSDB alliance in Sao Paulo, the PSDB — the party of President Fernando Henrique Cardoso and of Governor Covas — has yet to nominate a candidate for the Sao Paulo mayoral elections.

Brazil: Roundup of Economic Reports Through 24 May

PY2705135096

[FBIS Report] The following is a compilation of reports on economic activities in Brazil monitored through 24 May:

BASIC LEADING INDICATORS

GDP Declines in First Quarter — The Brazilian Institute of Geography and Statistics, IBGE, today reported that the GDP declined by 2.07 percent during the first quarter of 1996 compared to the same period of 1995, when it increased by 10.33 percent and registered the highest growth rate under the Real Plan. The following sectors accounted for the GDP decline: processing industry, -10.4 percent; agriculture, -8.2 percent; financial institutions, -8.9 percent; civil engineering construction, -4.54 percent; and commerce, -1.9 percent. The following sectors had a good performance: animal production, 14.44 percent; communications, 14.80 percent; mining industry, 5.21 percent; public utility industrial services, 4.58 percent. (Sao Paulo AGENCIA ESTADO in Portuguese 2209 GMT 17 May 96)

Record Foreign Reserves in April — Brazilian foreign reserves reached an all-time record in April by totaling $56.7 billion, which would suffice to cover Brazilian import needs for one year. The high level of reserves represents a strong guarantee for the Real Plan, because it would preclude a crisis similar to that of Mexico in 1994. As of 20 May, the amount of dollars entering Brazil was already $2.3 billion higher than that leaving the country. The positive fact is that $1.2 billion has entered Brazil as direct investments during the first quarter of 1996, compared to $758 million during the first quarter of 1995. The Brazilian economic team is already expecting direct foreign investments to total $7 billion in 1996. The percentage of long-term foreign loans is now higher than that of short-term loans. From $1.2 billion during the first quarter in 1995, long-term foreign loans climbed to $4.8 billion in March 1996. Altamir Lopes, head of the Central Bank — BC — Economic Department, said that there was a $4 billion surplus in the dollar flow during the first quarter of 1996, compared to a $5 billion deficit during the same period in 1995. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 22 May 96 p 17)

Industrial Survey Reveals Optimism — The Getulio Vargas Foundation, FGV, conducted a survey in April among industrial processing companies. The survey shows that there is optimism the second half of 1996 will bring better prospects than the first half. Surveyed companies expect domestic demand to increase, industrial activity to increase, and unemployment to decline. The average installed capacity of the 1,453 companies surveyed increased from 79 percent in January to 82 percent in April. The good news brought by the survey is that there will be fewer dismissals of workers during the second quarter. According to the FGV survey, 61 percent of the companies plan to keep their current level of employees, 15 percent of them plan to hire more workers, and 24 percent of them plan to dismiss workers. During the first quarter, 46 percent of the surveyed companies dismissed workers, and only 11 percent of them hired new workers. (Sao Paulo GAZETA MERCANTIL in Portuguese 17-19 May 96 p A8)

FINANCIAL OPERATIONS

Treasury Pays Debt to France — The Brazilian Treasury last week paid $180 million to the French Government as part of a debt contracted by the Sao Paulo Power Company, Inc., CESP, and by the State Electric Power

Company, CEEE, of Rio Grande do Sul. The Brazilian Treasury is also scheduled to pay, on 20 May, $50 million to the French Government as part of an overdue debt contracted by the Northern Brazilian Electric Power Plants, Inc. (Sao Paulo GAZETA MERCANTIL in Portuguese 20 May 96 p B1)

Investment in Port of Santos — Planning Minister Jose Serra announced on 17 May that a total of $360 million will be invested in refurbishing the port of Santos. He said that Japan's Overseas Economic Cooperation Fund will supply $215.6 million and the Brazilian Government will supply the remaining $143.7 million. Serra added: "This is the first time in 15 years in which the Sao Paulo Docas State Company was included in the federal budget." The funds will be used to remodel and to reequip three terminals: the container terminal, the fertilizers terminal, and the grains terminal. (Sao Paulo GAZETA MERCANTIL in Portuguese 20 May 96 p A6)

Petrobras To Use Ships for Drilling — The Brazilian Petroleum Corporation, Petrobras, is planning to save $300 million this year by using its oil tankers, rather than regular floating platforms, to drill oil from its deep sea deposits. Costs involved in adjusting tankers to serve as platforms have been estimated at $180 million. Nine tankers are expected to serve as platforms within the next three years and will increase savings by a factor of 10. The official name of the project is Production and Storage Unit Station. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 May 96 p B10)

Agricultural Equipment Industry Facing Crisis — The Brazilian Association of Machine Industries, Abimaq, has reported that the Brazilian agricultural equipment industry is going through its worst period in 35 years of existence. Sales have dropped by 69 percent from January to April 1996 compared to the same period of 1995. Industries are operating at 25 percent of their capacity, and 30,000 jobs have folded during the past 13 months. In 1995, agricultural equipment manufacturers sold 1,423 harvesters and 10,265 tractors. These figures represented an 85 percent drop compared to those sold in 1994. The market contraction stems from the debt crisis that affected farmers in 1995. (Sao Paulo GAZETA MERCANTIL in Portuguese 17-19 May 96 p B16)

FISCAL, MONETARY ISSUES

IPI Tax Payment Deadline Extended — In response to business executives who are converging this week on Brasilia to protest the high cost of exporting in Brazil and the delay in implementing the tax reform, the administration is issuing a provisional measure to give a longer deadline for micro and small companies to make IPI — Industrial Products Tax — payments to the Federal Revenue Secretariat. The new procedure will give these companies an average of 45 more days to pay the IPI tax. The current procedure is for companies to verify the IPI tax involved every 10 days and to make the respective payment five days later. With the new procedure, they will be able to verify the tax amounts at the end of every month and will have to make the respective payment 30 days later. (Sao Paulo GAZETA MERCANTIL in Portuguese 21 May 96 p A7)

Bank Eases Dollar Remittance Measures — The BC yesterday issued a package of measures to make it easier to send dollars abroad, and to make it a widespread practice to exchange dollars on the floating tourism market. This represents a step toward liberalizing the exchange market and represents a harsh blow to the parallel market. Gustavo Franco, director of the BC International Affairs Department, said: "Those who were sending dollars through the parallel market may now do that through the floating market." It will now be possible to raise the amount that may be sent abroad without making a statement from $1,000 to $3,000. Higher amounts may be sent if the objective of the remittance is justified through a statement. To make these remittances, it will no longer be necessary to have BC authorization. Additionally, anyone wishing to travel abroad may start buying dollars at any time, not just a year before the scheduled travel date. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 17 May 96 p 13)

Treasury Surplus Reported in April — Treasury Secretary Murilo Portugal has reported a cash surplus of 1.013 billion reals, R, in April. This surplus, however, was not enough to compensate for the deficit of R4.366 billion accrued from January to April 1996, compared to a R732 million deficit reported during the same period of 1995. In April, federal revenues totaled R10.964 billion, while federal spending stood at R9.951 billion. (Rio de Janeiro O GLOBO in Portuguese 18 May 96 p 21)

PRIVATIZATION

Privatization Calendar Established — The National Privatization Council held a meeting today in the office of Civilian Household Chief Clovis Carvalho and made decisions on the privatization calendar. It has been decided that the Meridional Bank, headquartered in Porto Alegre, will be auctioned on 11 June and that the federal railway eastern network will be privatized on 14 June. Elena Landau, privatization director of the National Bank for Social and Economic Development, BNDES, said that the government goal is to privatize the Rio Doce Valley Company this year. (Brasilia Voz do Brasil Network in Portuguese 2200 GMT 22 May 96)

TRADE ISSUES

Coffee Export Quotas Increased — The Association of Coffee Producing Countries, APPC, today decided to increase the coffee export quota assigned to each member country. Brazil will be authorized to export 15 million bags of coffee from 1 July 1996 to 30 June 1997. Brazil's quota for the previous period stood at 12 million bags. All told, the APPC member countries are authorized to export 53.55 million bags of green coffee during this period. Thus, the APPC has increased the overall export quota of its members by 14 percent. Rubens Barbosa, the APPC president and Brazilian ambassador to London, said that Brazil will be able to export 60 percent of its quota; that is, 9 million bags, during the second half of 1996, and the remaining 40 percent during the first half of 1997. Barbosa said no quotas have been established for instant coffee. (Sao Paulo AGENCIA ESTADO in Portuguese 0009 GMT 18 May 96)

Coffee, Sugar Exports Decline — The Industry and Commerce Ministry has reported that exports of coffee beans totaled $342 million from January to April 1996, thus declining by 49.10 percent compared to the same period of 1995. Similarly, Brazilian sugar has also had a poor performance as a result of the recovery of Asian sugar production. Compared to 1995 sugar figures, revenues stemming from exports of Demerara type declined by 51.16 percent; the crystal type, by 39.63 percent; and the refined type, by 22.33 percent. (Sao Paulo AGENCIA ESTADO in Portuguese 2346 GMT 16 May 96)

Soybean Exports Increase — Shortage of cereal grains and higher prices on the international market have caused Brazilian exports to increase during the January-April 1996 period. Exports of soybeans increased by 79.89 percent and those of soybean bran by 45.23 percent. According to AGENCIA O GLOBO, soybean bran exports accounted for $614 million during this period, while those of soybeans totaled $342 million. The National Supply Company, Conab, expects soybean production to total 21.924 million tonnes in the central-south region, the main soybean producing region. This would entail an 11 percent production drop compared to the 24.620 million tonnes produced in 1995. Tobacco production also increased, growing by 75.13 percent, and accounted for $230 million in revenues during the above period. (Sao Paulo GAZETA MERCANTIL in Portuguese 20 May 96 p B20)

Chile

Chile: Foreign Minister Denies Arms Sales to Ecuador

PY2705231996 Santiago EL MERCURIO in Spanish 23 May 96 p C4

[FBIS Translated Excerpt] Foreign Minister Jose Miguel Insulza categorically denied yesterday that Chile sold weapons to Ecuador through a branch of the Chilean Tradex House S.A. company in the midst of the war between Ecuador and Peru.

Insulza said that no Chilean Government officials participated in the operation. Insulza's comments coincided with Tradex's general manager Luis Eduardo Silva, who explained that the negotiations for the operation were the exclusive responsibility of the company's branch in Caracas, which is managed by retired Venezuelan General Arturo Leal.

Silva admitted that his firm had an "indirect" participation in the controversial sale of Argentine weapons to Ecuador during the conflict with Peru, but he made the Venezuelan branch responsible for it.

On 20 May, Insulza held a meeting with Silva who informed him "extensively" on the situation to clarify his participation in the arms sale, because the operation could affect Chile, which is one of the guarantor countries in this conflict. [passage omitted]

Chile: Firm Explains Involvement in Argentine Weapons Case

PY2805024696 Santiago LA TERCERA DE LA HORA in Spanish 21 May 96 p 10

[Article by Luis Diaz del Valle]

[FBIS Translated Text] Although Luis Eduardo Silva, general manager of Tradex House S.A., admitted that his firm had an "indirect" participation in the sale of Argentine weapons to Ecuador in the midst of the "Condor mountain rage war" with Peru, he held the company's branch in Caracas, Venezuela, responsible for the operation.

Regarding the transfer of 8,000 FAL rifles, made by Argentine Military Industries, to Ecuador, Silva said: "Apparently that operation became well known because of its political connotations, which is inevitable in this case."

Silva said: "The most important thing is that Argentine President Carlos Menem signed the arms sale decree under the belief that the weapons' destination was Venezuela, which is not a guarantor country in the conflict between Ecuador and Peru."

But the weapons and ammunition were deviated from Venezuela to Ecuador. In this regard, Silva denied his company's responsibility because he said: "We were intermediaries in the sale but we don't follow up to establish the final destination of the purchase, the weapons in this case."

[Diaz del Valle] Is it true that the weapons sold to Ecuador even went through Peruvian territory?

[Silva] Those are the comments. I believe the eventual route could have been Argentina-Peru and Peru-Ecuador, even though this sounds ironic.

[Diaz del Valle] What was the exact participation of Tradex's office in Caracas?

[Silva] I don't know. But I talked with retired General Arturo Leal, who is in charge of the Venezuelan office. He said the company acted absolutely in accordance with Venezuelan, not Chilean, regulations. He told me I should not worry because in many cases in the sale of weapons or security equipment, once they are sold they go through two or three hands and end up sold to people quite different from those who purchased it first.

[Diaz del Valle] Could you point out what Tradex intermediates in the so-called triangular operations to sell weapons?

[Silva] In Venezuela we have the representation of an Israeli manufacturer for this type of product. There are many people involved in the sale of security equipment and war materiel. There is never a single entity or person.

[Diaz del Valle] For example, how are the Israeli weapons that come to Venezuela sold?

[Silva] In this case, the sale is done through a Belgium company. Tradex House does not directly receive the orders from Israel but from a company stationed in Brussels, Belgium.

[Diaz del Valle] How can you explain that Tradex in Venezuela operated almost with complete autonomy from his home office in this operation?

[Silva] In practice, the Caracas office operates with great independence and I, as general manager, have no control over what that office does.

[Diaz del Valle] Is there any reason of operational nature that grants the Caracas office that autonomy?

[Silva] In practice this is an associated office and General Leal is our partner, he is not an employee. He is in charge of the operations in Venezuela, Panama, and Colombia. Leal is currently in Spain where he is making arrangements for an operation with Panama.

[Diaz del Valle] But the home office of Tradex House S.A. is in Chile and should be subject to Chilean laws.

[Silva] That's right and this is why from the public or political point of view, no Chilean executives had any participation in the transactions.

[Diaz del Valle] Are the operations made by General Leal in Venezuela thoroughly supervised?

[Silva] We are not the managers of that company. General Leal is the manager and we fully trust him. He is a retired Venezuelan Army general, and we know him and his partners, who are professionals and know their work.

[Diaz del Valle] Did he know the weapons would go from Venezuela to Ecuador?

[Silva] He told me the weapons would go to Venezuela and from there it would be sold to the markets he manages in Central America, Panama, and Colombia.

[Diaz del Valle] Has a direct sale of weapons been made from Chile?

[Silva] I cannot answer that. Our operations are confidential and I cannot mention names.

Chile: Efforts to Approach Asian-Pacific Zone Intensified

PY2405154296 Santiago EL MERCURIO in Spanish 21 May 96 p C5

[FBIS Translated Excerpt] Chile continues to promote activities to strengthen links with Asian-Pacific countries, a zone which is regarded as very significance for our development. This effort enabled Chile to become the seat of the 31st PBEC [Pacific Basin Economic Council] meeting in 1998. The upcoming PBEC meeting will be held in the Philippines.

Ambassador Jose Tomas Letelier, director for Asian-Pacific Affairs, is touring Singapore, Indonesia, and the Philippines, in southeastern Asia.

While in Singapore, he held a number of working meetings at the Foreign Ministry with directors of APEC [Asian-Pacific Economic Commission], of international organizations, and of ASEAN and Latin America. He was accompanied by Chilean Ambassador to Singapore Carlos Tudela.

As part of the strategy to approach this important zone, Chilean Economy Minister Alvaro Garcia left for Washington to attend the 29th PBEC international meeting. On 20 May, President Clinton opened the meeting that will end on 22 May.

The Chilean Embassy in Washington has reported that Garcia will be among those attending the plenary session on NAFTA on 22 May. [passage omitted]

Concerning Letelier's tour of southeastern Asia, the Chilean Embassy in Singapore disclosed that the Chilean diplomat went to the APEC secretariat in Singapore where he met with APEC Executive Deputy Director Jack Wittlenton (from Canada). They discussed, among other things, the individual and joint economic plans to be submitted by APEC members in compliance with commitments established in the Osaka's agenda.

Wittlenton, who will become APEC executive director in 1997, promised to attend the PECC [Pacific Economic Cooperation Council] XII meeting which is scheduled to be held in Chile in 1997.

Letelier also met with PECC Executive Director P.C. Leung (from Hong Kong), who noted Boeninger's important role as head of the PECC Permanent Committee.

Letelier reasserted the Chilean Government's interest in the full success of the PECC XII meeting. Leung said he hopes this meeting, the first of this magnitude ever in Latin America, "will be a great international event."

He stated that this will be an opportunity for intellectuals, private institutions, and representatives of Asian governments to visit Chile and become personally acquainted with the situation in Chile and in the region. [passage omitted]

Chile: Foreign Minister 'Optimistic' on Mercosur Accord

PY2405223596 Santiago EL MERCURIO in Spanish 21 May 96 p C1

[FBIS Translated Excerpt] On 20 May, the U.S. Embassy reported that President Bill Clinton's administration has not modified its commitment to promote Chile's entry into NAFTA.

Meanwhile, Chilean Foreign Minister Jose Miguel Insulza stated on 20 May that he had not received any indication from the United States of any obstructions to Chile's entry into NAFTA in light of the consolidation of the Common Market of the South, Mercosur.

Both the U.S. Embassy and Insulza thus denied allegations of an eventual change in the U.S. strategy, considering the deadline for the creation of the Free Trade Area of the Americas [FTAA] in 2005 is getting closer.

Insulza also stated that Chilean efforts to join Mercosur and NAFTA are not incompatible.

He rejected the possibility that association with Mercosur could affect the Chilean plans to become NAFTA's fourth partner. He said: "We hope to join the Mercosur now, and then NAFTA. How that could affect us, I do not know."

He noted that a distinction must be made between the plan to expand NAFTA, with the inclusion of Chile as the first choice, and the plan to create FTAA, a project in which it is necessary to merge existing agreements.

Insulza said that since the meeting in Denver, Chile has maintained the position that FTAA must be created on the basis of a rapprochement between the current blocs.

He says: "This means one should not create a new bloc, or make one group prevail over others because there are many free trade agreements in Latin America, and they must all be considered."

Insulza believes that any proposal for rapprochement between NAFTA and Mercosur — which together account for 90 percent of the hemispheric trade — does not entail incorporating Mercosur into NAFTA.

Insulza said: "I believe we are working on two different processes: one is the process to allow the entry of some countries into NAFTA — which is in suspension and I believe will continue be until after the presidential elections — and another thing is FTAA, which must be created on the basis of a commitment and rapprochement among existing trade agreements." [passage omitted]

Concerning negotiations with Mercosur, Insulza was again optimistic about complying with the commitment of the presidents of Mercosur and Chile to sign the agreement on 25 June.

He stated: "I maintain my position on the date, because it was agreed by the presidents. Let us recall that I did not set the date. The Foreign Ministry did not set it." [passage omitted]

Insulza said: "We objected to the possibility of analyzing all these issues in such a short time and this is what we will discuss, how we can do to deal with an issue that seems important."

He noted that if major issues are left pending despite the meeting of experts, the situation must be reviewed. He thus alluded to the deadline for the signing of the agreement on 25 June.

Colombia

Colombia: Flights Along Panamanian Border Ordered

PA2405200096 Santa Fe de Bogota EL TIEMPO in Spanish 24 May 96

[Received via Internet]

[FBIS Translated Text] The government has issued orders for the overflights Colombian Air Force (FAC) planes are carrying out along the border with Panama to be permanent and indefinite.

Defense Minister Juan Carlos Esguerra Portocarrero has said the FAC airplanes are establishing their presence along the dividing line between the two countries and have carried out control operations for the past two weeks due to international press reports stating that U.S. troops had been deployed to the Darien area, a region Colombia and Panama share.

On 8 May this report was confirmed by Panamanian Government Minister Raul Montenegro, who said before a legislative committee that his country had authorized the United States to conduct short-term maneuvers in support of Panama's counternarcotics operations in the province of Darien.

Meanwhile, the Panamanian Foreign Ministry admitted this week that U.S. Air Force airplanes have overflown that jungle area, according to them, for the sole purpose of locating the cocaine laboratories or clandestine landing strips Colombian drug traffickers use as a stopping place en route to the United States.

Esguerra said the overflights by Colombian airplanes are coordinated at the FAC bases in Barranquilla and Rionegro (Antioquia) and are carried out by five A-37 and OV-10 combat airplanes. The airplanes are used for reconnaissance and control along the border from Sapzurro on the Atlantic Coast to Punta Ardita on the Pacific Coast.

In addition, the Defense Ministry has instructed the Navy to dispatch a corvette to Matuntugo on the western bank of Golfo de Uraba on the coasts of Choco Department.

The vessel will remain at that site to support the patrol and control activities of troops from the Marine Infantry, Army, National Police, and personnel from the Turbo Coast Guard Naval Station.

The reports of military deployments to the border between Panama and Colombia generated a debate in the Senate plenum on 21 May due to a possible U.S. invasion of the area of Uraba.

During that session, Senator Fabio Valencia Cossio (Antioquia conservative) ran a video that, according to him, showed U.S. troops unloading weapons and military equipment in El Real de Santamaria, a town in Panama's province of Darien.

Esguerra assured that there is no danger of an invasion in that sector. He said that the troops appearing in the video are Panamanians and that in accordance with the reports the Colombian Government has received from the Southern Command, they were unloading an electricity generator and weapons apparently belonging to the Panamanian Army.

Panama's Foreign Ministry has stated in a communique that "it has not authorized nor are there U.S. troops stationed in the area bordering with Colombia."

Nevertheless, William Ormsbee, U.S. Army Southern Command spokesman, has confirmed to EFE that operations by U.S. troops in Panama are part of "cooperation programs (of both nations) for the struggle against drug trafficking."

The United States has approximately 7,500 soldiers along the banks of the Panama Canal and since 1990 has conducted joint antidrug operations with various Latin American governments.

Colombia: Charges by Venezuela's Orozco 'Serious Mistakes'

PA2805044596 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 27 May 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 1910 GMT 27 May]

[FBIS Translated Text] Colombian-Venezuelan relations are again tense. The Venezuelan defense minister has accused Colombia of taking Venezuelan airplanes and using them in the Air Force. Defense Minister Juan Carlos Esguerra denied this today.

A few minutes ago, Defense Minister Juan Carlos Esguerra ended a news conference in which he described statements by Venezuelan Defense Minister Moises Orozco as very serious mistakes. The Venezuelan defense minister had said that airplanes used by the Colombian Air Force were stolen in Venezuela.

[Begin Esguerra recording] At this time, absolutely no airplane being used by either the Colombian Air Force or Satena [National Territorial Air Service] is owned by Venezuelan individuals or corporations. [end recording]

Satena is an enterprise involved in this issue of the military use of stolen planes. Its manager, General

Hector Fabio Velasco, has said that he has the invoices for all his firm's planes, and that they were all bought directly from factories.

[Begin Velasco recording] Those statements by the minister are completely false. I believe the logical thing would be for him to make his claim through the Foreign Ministry, which is in charge of issuing a reply. [end recording]

Colombia: Foreign Trade Minister Discusses Trip to U.S.

PA2605025396 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1715 GMT 25 May 96

[Report by Roberto Moyano; from "The Midday Newscast"]

[FBIS Translated Text] [Unidentified announcer] The U.S. Government will not implement economic sanctions in Colombia, as has been fully stated in the aftermath of the decertification of antidrug efforts. Let us recall that the United States decertified Colombia on 1 March and that there was a great deal of speculation on the negative effects it could have on the economy. It is clear—Foreign Trade Minister Morris Harf has said it—however, that this will not occur, that there will be no economic sanctions.

Here at Emisoras Caracol Network, we have spoken with Harf, who has just returned to Colombia from abroad and who has referred to Colombian-U.S. relations following the infamous communique issued by the U.S. State Department stating its concern about the manner in which the investigations of President Ernesto Samper are being handled. Roberto Moyano has interviewed Harf:

[Begin recording] [Moyano] We are in contact with Foreign Trade Minister Harf, who has just returned from the United States, where he, along with Energy and Mines Minister Rodrigo Villamizar, took crucial steps. Minister Harf, what are the results of the mission the two of you have just completed in the United States?

[Harf] In the United States, we had the opportunity on 21 and 22 May to meet at the Colombian-U.S. Bilateral Commission, which had not met since 1993. On this occasion, at the invitation of the U.S. Government, we went to this meeting to revise all economic and commercial issues pertaining to Colombia and the United States.

[Moyano] Certain sectors fear or are concerned about the consequences or attitude the Washington government may take in the aftermath of the so-called decertification. Did you discuss anything about it?

[Harf] We did not talk about the specific issue of the decertification, but we agreed the economic effects.... [pauses] that the United States will implement no economic sanctions on Colombia as a result of the decertification. Furthermore, all the issues we discussed were discussed at a very professional level, and we reached certain agreements on, above all, specific products.

[Moyano] To be concise, Mr. Minister, what agreements did you reach?

[Harf] Concerning sugar, for instance, the United States agreed to again examine the foundations on which sugar quotas are estimated, because the last time these estimates were made was in 1982 when Colombia was still not a signatory of the International Sugar Agreement and when Colombia was a net importer of sugar. Nowadays, Colombia has an exportable supply of sugar exceeding 800,000 tons a year, and it hopes its participation in the U.S. market will increase. The United States agreed to study a new formula to estimate sugar quotas to favor Colombia.

As for the tuna embargo, the U.S. Congress is analyzing a new law pertaining to the handling of tuna fishing in an effort to enforce international requirements on the protection of dolphins.

On the other issues, bananas, for instance, the United States, along with four other countries, filed a lawsuit against the European banana quota system. We agreed the United States and Colombia would work together to make the two countries negotiate a decision instead of having this issue end in an investigation by the World Trade Organization.

[Moyano] We understand you had the opportunity at these business forums you attended to listen to or verify the interest of the U.S. investors in making investments in Colombia, but they stressed their concerns or demanded the implementation of or the making official of the investment protection agreements. What could you tell us about this issue?

[Harf] What you just said is true. In the negotiations for a bilateral agreement on investments, the truth is as follows: Colombia has already signed four bilateral investment agreements. The most significant such agreement was signed with the United Kingdom. This agreement is under revision by the Constitutional Court [CC] because of the article on expropriations included in the 1991 Constitution. We agreed with the U.S. Government to wait until July, when the CC is expected to render a decision on this issue. [end recording]

Colombia: Navy Says No DEA, U.S. Officers in San Andres

PA2405200796 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1800 GMT 24 May 96

[From "Caracol's Quarter Hour" newscast]

[FBIS Translated Text] San Andres — The Navy's specific commando unit operating in San Andres and Providencia affirmed today that there are no DEA agents or U.S. military officers cooperating in the antidrug trafficking fight being waged in this Colombian archipelago.

Rear Admiral Sergio Rivero Castro, Navy chief in San Andres, announced that the only cooperation the United States is offering in this part of the country in the fight against drug trafficking is the aid of the U.S. Coast Guard patrolling the Caribbean waters:

[Begin recording] [Rivero] I do not maintain direct relations with U.S. personnel; in other words, there are no advisers or liaison officials. I do not maintain direct relations.

[Unidentified reporter] [Words indistinct]

[Rivero] Only a Coast Guard presence located outside the 12 nautical mile mark. If it detects a suspicious activity, the first thing it must do is verify whether the vessel has a Colombian flag; if it does not, the Coast Guard is obligated—it is stipulated in the agreements and treaties—by the [words indistinct] in Santa Fe de Bogota to inform the Defense Ministry [words indistinct]. [end recording]

Colombia: U.S. To Finance Two New Counternarcotics Bases

PA2405165496 Santa Fe de Bogota EL TIEMPO in Spanish 23 May 96

[Report by Alirio Bustos — received via Internet]

[FBIS Translated Text] U.S. engineers and the Colombian police are finalizing details of the construction of two new counternarcotics bases the U.S. Government will finance. These bases will be used to deal with mid-level drug traffickers in Valle and to attack the processing and shipment of drugs through southern Colombia.

The first base is being built in Tulua (Valle) and will be used to coordinate counternarcotics operations in the western counternarcotics zone, which includes Choco, Risaralda, Caldas, Quindio, Valle del Cauca, Cauca, and Narino Departments.

The other base is being built in Puerto Asis (Putumayo) and will include Caqueta, Putumayo, and Amazonas Departments, which are in the southern counternarcotics zone.

Counternarcotics Police Director Colonel Leonardo Gallego has said each base will have its own intelligence section and Judicial Police Department.

According to the plan, each base will have a landing strip, a platform for Turbo Trush and Commander airplanes, a heliport, a parking lot for airplanes, hangars, an equipment store, parade grounds, administrative offices, shops, and fuel supply stations.

According to Colonel Gallego, "the two new bases are being built concurrently with the U.S. Government's financial support and the counternarcotics expansion plan, and we hope they will be fully operational next year." He added that the two bases will cost almost 2.5 billion pesos.

For the construction of the Tulua base, the Police National Directorate yielded 7,000 square meters owned by the Simon Bolivar School, which is considered the largest and most modern police training center. A group of U.S. engineers subsequently traveled to the area, studied the terrain, and prepared the project design and master plan.

Plans in hand, the experts concluded they would require a budget of $1.158 million, which the U.S. Government will allocate within the next few days. According to the project, the base will house 120 men.

"This base will allow us to closely observe western Colombia and to respond immediately when intelligence detects movements by the drug traffickers, particularly in the central coffee producing region and northern Valle," Gallego has said.

The base also will have a modern kitchen, a main dining room, two living areas, and a sports complex.

According to Gallego, the operation of this base will guarantee "the end of or displacement of the Cali cartel."

The police have a 5,000 square meter lot for the Puerto Asis counternarcotics base and plan to turn it into the country's main police bunker.

"The base will be a security barracks built with fortified cement blocks capable of resisting the impact of rockets, bazookas, rifles, submachine guns, or grenades," the officer said.

According to Gallego, construction of the Puerto Asis base is just as advanced as Tulua's, and the base will allow the control of drug trafficking, the eradication of drug crops, and the destruction of drug processing laboratories protected by the narcoguerrillas in Caqueta, Putumayo, and Amazonas Departments.

"The Puerto Asis base will be among our largest border bases. With it we will control the smuggling of cocaine base from neighboring countries and counteract the activities of drug traffickers in the jungle area," Gallego has said. The base will cost over $1 million and also will be financed by President Bill Clinton's administration.

To combat drug trafficking, the Counternarcotics Police has divided the country into five zones containing 17 bases and four jungle commando units with expertise in jungle operations.

The Puerto Asis base, the most modern of its type, was inspected on 17 May in Mariquita (Tolima) by Police Director General Rosso Jose Serrano.

According to the general, this base will become a training center for all the pilots struggling against drug trafficking in Latin America.

"This base will not only allow us to train Colombian police pilots to combat drug trafficking more effectively but also will be used to train pilots fighting against drug trafficking in other countries, particularly in the Andean Zone," Serrano said.

According to Serrano, "Mariquita is located in the heart of the country, and that factor will allow us to reach any trouble spot quickly."

Colombia: Samper on U.S. 'Criticism' of Committee Decision

PA2605022696 Madrid EFE in Spanish 0018 GMT 26 May 96

[FBIS Translated Text] Santa Fe de Bogota, 25 May (EFE) — Colombian President Ernesto Samper today described as "inadmissible intervention" in the country's internal affairs the criticisms made by the U.S. Government of the decision by the Accusations Committee of the Chamber of Representatives not to accuse him for the alleged infiltration of drug trafficking money into his 1994 presidential campaign.

The president, who asked for respect for Colombian institutions, spoke for the first time about the comments made by U.S. Government spokesman Nicholas Burns, who said he was "concerned" over the position of the committee and expressed his doubts about the credibility of that parliamentarian body.

Samper's statements reiterate the response given yesterday on the matter by the Colombian Foreign Ministry, which described Nicholas Burns' statements as a "flagrant violation of the international principle of nonintervention."

"That is an inadmissible and unacceptable intervention in the right of the Colombian people to be judged by their judges," Samper told the media during a visit to the San Andres Archipelago in the Colombian Caribbean.

"I did not pick the Accusations Committee or the Chamber of Representatives," said the head of state, who said "that body for more than 100 years has been in charge of judging Colombian presidents."

Samper asked the authorities in Washington to "respect" the decisions of the judges and the country.

The president said the solution to the country's crisis resulting from charges of the infiltration of Cali cartel money in the country's politics "will be found within the state of law and the possibilities of our democracy."

Likewise, Samper said the Colombian people have the right to see their judicial system "operate freely" and said they cannot accept "any type of pressure," let alone foreign pressure, which can cast doubts about the legal nature and credibility of the oldest democracy in Latin America.

The president denied bilateral relations will suffer because of this new episode of tension.

The Accusations Committee of the Chamber of Representatives, which is in charge of investigating the charges filed by the Prosecutor General's Office against Samper, on 23 May issued a report in which it suggests that the lower chamber should not accuse the head of state before the Senate because of a lack of sufficient evidence.

Colombia: Ministry Rejects 'Flagrant' U.S. 'Violation'

PA2505003996 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 24 May 96

[Communique issued by the Foreign Ministry in Santa Fe de Bogota on 24 May; from "The Latest News" newscast]

[FBIS Translated Text] The national government emphatically rejects the terms of the communique read today by the U.S. State Department spokesman regarding the process being conducted against President Ernesto Samper Pizano. This is a flagrant violation of the universal principle of nonintervention and constitutes an unacceptable intervention in Colombia's internal affairs.

The Colombian Constitution stipulates that the Chamber of Representatives, first through the Accusations Committee and subsequently through the full session, is the natural judge of the president. For over 100 years, the Congress, the Chamber of Representatives, and the Accusations Committee have acted as judges of all Colombian presidents. The Colombian president has subjected himself to the state of law and to the democratic institutions currently in effect in Colombia, which is his obligation.

No government has the authority to evaluate, let alone disregard, as the State Department spokesman has done, the legal nature and credibility of the president's investigating judge. Colombia has never spoken out against legal aspects or against decisions adopted by U.S. judicial authorities, which have been conducted in the past or are currently being conducted against high-ranking U.S. officials.

We demand from that country a reciprocal attitude in fulfillment of the principle of sovereign equality among states.

Today's communique disregards what has been expressed on several previous occasions by Nicholas Burns himself. This official said on 28 September that the U.S. Government reiterated its clear position that the investigations being conducted in Colombia are internal matters that should be resolved by Colombians within the framework of their political and legal systems.

We, therefore, demand that the U.S. Government abide by this position. The national government reiterates that the political crisis, which Colombia is currently going through, will be resolved in an autonomous and sovereign manner, in strict compliance with the norms stipulated by the Constitution and the laws, of course, without accepting foreign pressure.

The national government calls on all sectors of Colombian society to heed the rulings handed down by all judicial entities conducting the investigations, regardless of what kind of rulings they may be.

[Signed] Information and Press Office of the Foreign Ministry

[Dated] Santa Fe de Bogota, 24 May 1996

Colombia: Pardo Says U.S. Interfering in Nation's Affairs

PA2705040796 Madrid EFE in Spanish
1938 GMT 26 May 96

[FBIS Translated Text] San Andres (Colombia), 26 May (EFE) — Colombian Foreign Minister Rodrigo Pardo today reiterated that the U.S. Government has contradicted itself, because a few months ago it said that the Colombian crisis was "an internal affair."

In San Andres, Pardo said that the Colombian Government "has always respected U.S. internal affairs and has never expressed an opinion on how investigations on high U.S. Administration officials are conducted. We demand the same respect for our own jurisdiction and Constitution."

Pardo made the remark two days after the U.S. State Department, in a communique read by spokesman Nicholas Burns, expressed "doubts" about the Accusations Committee that is investigating President Ernesto Samper for his reportedly illegal election in 1994.

According to the U.S. State Department, the parliamentarian committee that investigated Samper and asked the Chamber of Representatives' plenum to end the case lacks "impartiality."

On Friday, Pardo had already rejected the U.S. position, which he described as improper intervention in Colombia's internal affairs.

Pardo recalled that a few months ago the Clinton administration said that Colombia should solve its own crisis.

"I expect the United States to return to its policy of respecting internal affairs. We should find ways to restore confidence between the two countries. Nevertheless, this implies correcting Washington's wrong policy regarding Colombia," he said.

He also said: "Local proposals can be presented, but no foreign countries can be permitted to participate in our internal affairs."

Colombia: Serpa Says U.S. Seeking To 'Tarnish' President

PA2805022396 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2247 GMT 27 May 96

[Report by Luis Eduardo Maldonado]

[FBIS Translated Text] A few minutes ago Interior Minister Horacio Serpa Uriba accused the U.S. Government, the Bill Clinton administration, of searching for mechanisms that will degrade the good image of President Ernesto Samper Pizano.

The minister's response is a reaction to a U.S. State Department pronouncement in regard to the ruling issued a few days ago by the Accusations Committee of the Chamber of Representatives.

[Being Serpa recording] Of course, it is a very unwarranted manner to voice an opinion with respect to issues that in no way pertain to them. Most surely the intention behind this is to cause repercussions that will tarnish the good name of the president of the republic.

[Unidentified reporter] Is it your opinion that the United States is after President Samper's head?

[Serpa] I refer to the communique the U.S. State Department issued last week, which personally, I believe, is highly unusual, absolutely inconvenient, and arbitrary. In short, it is fortunate that the Colombian people have reacted very favorably to the situation.

[Reporter] Mr. Minister [one-second break in reception].

[Serpa] What do you think this is all about? Well, an unwarranted interference in Colombia's internal affairs.

[Reporter] What is the goal? What does this interference seek?

[Serpa] The Colombian people are very insightful. One does not have to be a genius on this issue. [end recording]

Interior Minister Horacio Serpa Uribe also jokingly answered questions by reporters in regard to whether or not he was concerned about the United States withdrawing his visa on account of his attacks on the government of Bill Clinton.

[Begin Serpa recording] [laughs] Well, if my visa to enter the United States is withdrawn because I transfer my current accounts, other accounts, and investments to Europe... [laughs] [end recording]

With respect to the investigation against the Colombian president, the minister pointed out, in conclusion, that the Chamber of Representatives will have to issue a sentence in accordance with the law and within the boundaries of fairness and patriotic discernment.

Colombia: Lawyer Says U.S. Wants To 'Overthrow' President

PA2605224496 Madrid EFE in Spanish 2114 GMT 26 May 96

[FBIS Translated Text] Santa Fe de Bogota, 26 May (EFE) — Luis Guillermo Nieto Roa, the lawyer for Colombian President Ernesto Samper, said today that the U.S. Government wants to "overthrow" Samper and is "intimidating" the Colombian Congress into condemning him for reportedly financing his 1994 electoral campaign with money from drug traffickers.

Nieto Roa referred to a U.S. State Department communique released on Friday that questioned the Accusations Committee's credibility. The day before, the committee had proposed that the Chamber of Representatives drop the case against Samper for lack of evidence.

The U.S. Government intends to "overthrow" Samper, Nieto Roa told the Colombian Radio Network (Caracol).

The lawyer believes that the remarks about the committee, whose proposal will be debated at the House of Representatives starting next Tuesday, seek to "intimidate" the lawmakers into filing charges against Samper before the Senate.

If the Senate accepts this accusation, Samper would be immediately dismissed from office.

Nieto Roa said that "it is the U.S. policy to install and remove governments. The U.S. Government has resorted to this procedure to intimidate the delegates from the Chamber of Representatives."

Nieto Roa said that the U.S. Government's message to the Colombian congressmen is "to watch out if they fail to condemn the president."

He added that "the Colombian president, not a U.S. citizen, is being investigated" and that, for this reason, "the U.S. State Department's meddling is unacceptable and violates the universal principle of international law."

On Friday, the Colombian Foreign Ministry rejected the U.S. State Department's remarks. Yesterday, Samper described the remarks as "inadmissible meddling" and demanded respect for Colombian institutions.

Samper said that the Accusations Committee and the Chamber of Representatives "have judged presidents for more than 100 years," and that the two authorities cannot accept "foreign pressures that cast doubts on the legality and credibility of Latin America's oldest democracy."

Colombia: Political, Business Leaders on U.S. Communique

PA2505010896 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0013 GMT 25 May 96

[From "The Latest News" newscast]

[FBIS Translated Text] Santa Fe de Bogota — Various political, business, and labor union organizations of the country rejected today the communique issued by the U.S. State Department, which questioned the decision made by the Accusations Committee of the Chamber of Representatives, which asked that the case against President Ernesto Samper Pizano be closed.

Heyne Mogollon Montoya, the president of the Accusations Committee, described the U.S. statement as an intervention in the country's internal affairs and said the United States is no example of morals or of the way in which justice should be administered.

Meanwhile, Senate President Julio Cesar Guerra Tulena described the U.S. statement as an undue interference in the legislative branch. The United States should respect the decision made by the Accusations Committee, otherwise tomorrow they could interfere in a Council of State or Supreme Court ruling. That is something we cannot allow as a country with a state of law, Guerra Tulena said.

Former Foreign Minister Luis Fernando Jaramillo Correa said it is difficult to admit that the U.S. Government is starting to influence the decisions adopted by the Colombian Congress, the natural judge of the head of state.

The CGTD [General Confederation of Democratic Workers] and the CUT [United Workers Federation] described the U.S. position as a clear intervention in the country's internal affairs. This statement is unacceptable and is an attack on the country's sovereignty, said CGTD Secretary Julio Roberto Gomez. Luis Alejandro Pedraza, the president of the CUT, meanwhile, said that to qualify the conduct of the country's institutions as good or bad is not the business of the United States.

Colombia: Ex-Candidate Pastrana Comments on U.S. Document

PA2605004896 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1725 GMT 25 May 96

[Interview with Andres Pastrana, former presidential candidate of Colombia's Conservative Party, by an unidentified reporter; place, date not given; from the "RCN Radio Events" newscast — live or recorded]

[FBIS Translated Text] [Reporter] What is your reaction to yesterday's U.S. document?

[Pastrana] That the United States is beginning to agree with what we have presented to the Colombian people since the beginning of the Accusations Committee.

[Reporter] Yes.

[Pastrana] Colombians do not believe in the Investigation and Accusations Committee. We do not believe in the verdict of the Accusations Committee, have not believed in the verdict the Accusations Committee gave in December. Not even President Samper has believed in that acquittal, which, you remember, took place in December.

[Reporter] Yes.

[Pastrana] After the committee's verdict, President Samper said the entire weight of the state would fall upon any Colombian who said anything against him or his family regarding case 8000. Not just the United States but the entire world is saying what I had the opportunity to say a few days ago: that President Samper today is the symbol of corruption inside and outside Colombia. Because of this same circumstance, I have insisted that the president does not have the moral or political authority to govern the Colombian people.

[Reporter] Yes. Unfortunately that is what has happened. There is a blurred image of how things really are, but would you describe the document itself as interference in Colombian affairs or not?

[Pastrana] Drug trafficking is a worldwide problem, as the Colombian people have been insisting; that is, this struggle is not just a national one. When the world expresses its concern regarding drug trafficking, we cannot evoke false nationalism. Yesterday's statement from the U.S. State Department is as much interference in Colombian internal affairs as receiving funds from the United States or the EU to fight drug trafficking. That is also intervention, because we Colombians could fight drug trafficking, but the important issue is not the State Department's document but, rather, that the international community today is asking for justice.

I insist that just as Colombians do not want a president or a Presidency bought by drug money, the same concern exists outside Colombia. I believe that is what Colombians are fighting for; that is, to put an end to corruption. We do not want a president that has been elected with funds from drug trafficking. We do not want a Congress in which congressmen have been elected by drug trafficking funds. We do not want a country in which the banking sector and the private sectors are also being infiltrated by drug money.

Colombians want to show the world we are honest, hardworking people who have much greater problems than the drug trafficking issue we are experiencing now [words indistinct] unemployment [words indistinct] we want to show the world we honest and hardworking people willing to [words indistinct] drug trafficking, one of the worse scourges that has ever threatened our society.

[Reporter] How do you view Interior Minister Horacio Serpa's comments that for the last two years you have maintained the same position, have asked for resignations?

[Pastrana] Minister Serpa should resign. I insist he should resign. Serpa is a minister who is trampling on the penal procedure code, a minister who is happy to be under custody. He is a minister with no dignity. Serpa, Pardo, and Turbay should have resigned a long time ago, although it seems that the constant characteristic, the common denominator of the Samper administration is that its ministers are, logically, under custody. It is unbelievable that the interior minister or the foreign minister, as I had the opportunity of saying in Popayan, has to ask the prosecutor general of the nation and not the president for permission to leave the country. Colombia's dignity has been lost. [Words indistinct] believes he is innocent. He cried in front of the cameras after it was announced that he was going to jail when only a preventive measure was actually announced. I believe that Serpa, Pardo, and Turbay should have the dignity to resign, because what we want is to recover our institutional and international respect.

Colombia: Delegates Withdraw, Not To Vote on Samper Case

PA2505200296 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1756 GMT 25 Mar 96

[Report by Javier Contreras; from the "Latest News" newscast]

[FBIS Translated Text] A total of 51 principal delegates to the Chamber of Representatives temporarily withdrew from the Chamber so they would not have to vote in the investigation conducted on President Ernesto Samper for his reported involvement in four crimes.

This station has just learned the names of the delegates who left the Chamber temporarily. Consequently, their alternates will participate in the Chamber's plenum, which, on Tuesday, will start to debate the Accusations Commission's proposal recommending that the investigation be dropped.

The list includes Tiberio Villarreal, Rodrigo Garavito, and (?Andres) Benedetti, who were arrested during the so-called Case 8000, and Adalberto Jaimes and Rafael Serrano Prada, against whom precautionary measures have been issued.

The list also includes Alfonso Uribe Badillo, Jorge Alfonso Rojas, and Ricardo Ramirez, who lost their status and whose credentials were cancelled; Rodrigo Turbay Cotes, who has been held by a FARC [Revolutionary Armed Forces of Colombia] front in Caqueta Department for more than a year; Jose Murillo Marquez and Jose Laureano Seron Leiton, who died in the past two years during their terms as congressmen; and Emilio Arrieta, who is retired. Luis Emilio Valencia and Marta Luna Morales are on sick leave and Ruth Maria Angulo Quinonez is on maternity leave.

Another 36 congressmen asked for leave without pay. These include Humberto Fufo Pastrana, Agustin Figueroa, Luis Humberto Villaroel, Ricardo Alarcon, Gonzalo Lopez, Luis Murgas, Alba Olaya Pineda, Marco Tulio Padilla, Martin Pujana, Jairo de Jesus Arcila, Cesar Antonio Garcia, Marino Zuniga, Gustavo Sinton Alvarez, Antonio Marin Salazar, Cesar Augusto Jaquin, Jose Carvajal, [words indistinct], Mauro Tapia, Carlos Hernan Barragan, Arturo Yepes, Jose Joaquin Vives, Antenor Duran, Jose Raul Ruedas, Jorge Diez Anaya, German Martinez Mejia, Gustavo Catano, Gerardo Mancera, Rafael Quintero, Rafael Guzman, Carlos Alberto Oviedo, Emilio Martinez, Octavio Carmona, Camilo Arturo Montenegro, Jorge Calero Palma, and Fernando Posada.

In all cases, their alternates will take over during the Chamber of Representatives' plenum sessions to discuss the investigation of President Samper.

These 51 delegates represent 31 percent of the Chamber of Representatives members.

Colombia: Representatives To View Samper Case on 28 May

PA2405191996 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 24 May 96

[Report by Victor Lopez; from the "The Midday Newscast"]

[FBIS Translated Text] As of Tuesday at 1400 the Chamber of Representatives in a plenary meeting will start analyzing the case of President Ernesto Samper.

The Chamber has 15 days in which to do this. The president of the Chamber said, however, he hopes that the representatives will not take all of this time because they know that the country is very expectant regarding this process. There will be some prior procedures that must be fulfilled and charges against some representatives will have to be analyzed to see whether they can participate in these debates.

The country is expectant. The question remains: What will happen with President Samper if he is found not guilty or guilty; will he leave or will he stay? This is the prevailing issue in the country.

Today, Labor Minister Orlando Obregon spoke about this matter and about what President Samper's departure from his post would represent for him as minister. Obregon spoke in Barranquilla. Victor Lopez has the details.

[Lopez] Good afternoon. Minister Obregon today dedicated in Barranquilla a political forum convoked by Mayor Edgar Gior Gonzalez. The purpose of the forum is to seek political solutions to the country's crisis.

For the second time in less than eight days, Minister Obregon has strongly defended President Samper. He said that the fall of the chief of state would represent the return of the neoliberals to power.

A call has just come from guerrillas imprisoned in the Itagui Prison. They have made proposals, which we are going to summarize. [Words indistinct] guerrilla movement in Itagui Prison. They propose a national convention to discuss four issues: The first issue is peace and war; the second is democracy and sovereignty; they [words indistinct] called by the peace commissioner [words indistinct] related to the oil policy. Finally, he said that right now, there are two institutions that are disturbing the peace: the public order zones and the rural cooperatives, which are synonymous with war.

Senator Jaime Dussan is here with us. He came to Barranquilla to participate in this political forum.

Dr. Dussan, what is your proposal for a peaceful solution?

[Dussan] We have made five [as heard] proposals: 1) The defense of national sovereignty, as all Colombians want; 2) a systematic implementation of the current development plan and the social program; 3) the drafting and implementation of a pacification policy; 4) the struggle against corruption; 5) the drafting and implementation of a strategy for the eradication of illegal drugs from the country and its international relations; and 6) the approval of political reforms that all Colombians have demanded and that we think should be carried out, not through a Constituent Assembly because the country has had experiences with this, but through the National Congress [words indistinct] Constituent Assembly as the Constitution orders.

[Lopez] Very kind of you, senator.

Listeners of Caracol, President Ernesto Samper Pizano sent a message that was read a few minutes ago by Interior Minister Horacio Serpas Uribe calling for national unity.

[Begin Serpa Uribe recording] I want to state my special satisfaction with this forum organized by Labor Minister Orlando Obregon and Barranquilla Mayor Edgar Gior Gonzalez.

I accept this invitation with much optimism because of the effort that regional and national leaders are making to seek reconciliation, which will allow us to secure peace in our country.

Since I will be unable to accompany you, as I desire, I want to talk about reconciliation and to reiterate my government's permanent commitment to finding a peaceful solution to the armed conflict that for many years has been the main obstacle to our development. [end recording]

[Lopez] This was the main portion of the message from President Samper, read by Interior Minister Horacio Serpa Uribe.

The people who are noticeably absent from this forum are the Conservative Party leaders. Here, there are representatives of the left and of the national government.

Colombia: Chamber To Be Sequestered Starting 28 May

PA2405193996 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 24 May 96

[From "The Midday Newscast"]

[FBIS Translated Text] Chamber of Representatives President Rodrigo Rivera Salazar said the Chamber will be completely sequestered starting 28 May; thus, he depicted the congressmen as they proceed to handle the report on the conduct of President Ernesto Samper Pisano prepared by the Investigation and Accusations Committee of the Chamber of Representatives.

We will remain sequestered until we have thoroughly solved this issue, Rivera Salazar said. He also said that the entire process would be televised live, unedited, uncut, and without makeup. Rivera also commented on the secret vote regulations of the Chamber and said that congressmen who want to make their vote public can do so.

Moreover, Rodrigo Rivera Salazar defended a report which advocates the closing and filing away of the case regarding the investigations against the president, and pointed out that they were conducted according to the law. I can affirm that it was conceded after reviewing some facts and legally analyzing the evidence which supported those facts, Rivera said.

Colombia: Senate President Reacts To Committee's Decision

PA2405153496 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 24 May 96

[Telephone interview with Congress President Julio Cesar Guerra Tulena by News Director Dario Arizmendi and reporter Edgar Artunduaga; from "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] We have reactions to the decision that the Chamber of Representatives' Investigations and Accusations Committee made yesterday afternoon regarding the recommendation to the plenum of the Chamber, which will meet beginning 28 May to analyze and discuss a final decision on whether to close the investigation of the president or bring charges against him before the Senate. Good morning, Congress President Doctor Julio Cesar Guerra Tulena.

[Guerra] Good morning, Dario.

[Arizmendi] What is your opinion on the Committee's decision?

[Guerra] With all due respect, I believe that the decision the Accusations Committee made yesterday afternoon stems, I suppose, from a vote of conscience and, more than that, obviously, from what was stated in the proceedings. I believe that the innocence of the accused, who happens to be the president of the Republic, is beginning to emerge. This means that there is absolutely nothing against him in these proceedings. The next step is for the plenum of the Chamber to decide whether it favors or opposes these proceedings on each assessment that the Prosecutor General's Office has made on the president's conduct. On the other hand, those who defend the opposing view must defend their position before the nation.

[Arizmendi] Dr. Guerra, if 10 of the 13 individuals who are investigating the president and who are members of the Committee voted in favor of the report drafted by Heyne Mogollon and Eliecer Meneses, which recommends the shelving of the case, and if the president is not accused before the Senate, could we suppose that the plenum of the Chamber will vote in a similar manner?

[Guerra] Well, as has been evident in general elections, the people, scholars, and political analysts make predictions. This will probably be the case now, because its no secret that some proclaim Samper's innocence while others decry his guilt. So, I do not believe we have to give an opinion in advance; however, Dario, it is worthy of you to make this prediction in your program. It is worth making it.

[Artunduaga] Dr. Guerra, those who say that the Chamber of Representatives could acquit the president are probably saying this based on the Liberal Party majority that exists in this Chamber. They point out that the entire Liberal Party is reportedly benefiting, politically speaking, or that the president is being defended more because of political matters than because of legal matters. How can people be convinced that this is not a mere political affair, but that it has certain juridical and legal connotations?

[Guerra] Edgar, this is the same problem that this case has had for the last year and a half. How do we go about preventing people from bringing up a number of assumptions regarding the plenum of the Chamber's vote, whether it is political or, by essence, legal? Let us compare it to a jury. This is a trial on the legal responsibilities the Constitution dictates for Congress, starting with the Accusations Committee, then the plenum of the Chamber, and finally, the Senate. It is presumed that the vote on some proceedings, based on reports by the witnesses the investigators summoned to give their sworn depositions on aspects stipulated by the Prosecutor General's Office, is done based on conscience. If that changes, in the plenum of the Chamber, because there are more [words indistinct] liberally vote, it seems to me that the plenum of the Chamber's ruling is being prematurely distorted. We have to have confidence in the jury; otherwise, we would be misrepresenting all legal matters.

When you... [pauses] In some Anglo-Saxon countries — the United States, for instance — there is a jury, and one does not know how it will vote. The truth is, in the end, there is a verdict: guilty or not guilty. One has to accept it. Look, yesterday I remembered that Socrates was tried in Athens 2,400 years ago for the impious crime of perverting youths; he was sentenced to prison and later forced to drink hemlock. When his friends visited him in prison, he said: Wait a minute here; I have always respected the law, because the law has protected me. This means that, even though some people in Colombia disagree with the sentence, one has to respect it, because, otherwise, the law loses its necessary strength. This is a fundamental principle of a liberal democracy, such as ours. This is not a totalitarian democracy. So, we may dislike the [words indistinct] and if the laws are bad, they must be changed. But one cannot be above the law.

Colombia: Accusations Committee Member Meneses Interviewed

PA2405171496 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 24 May 96

[Telephone interview with Accusations Committee member Eliecer Meneses by news director Dario Arizmendi and reporters Javier Ayala and Judith Sarmiento, in Santa Fe de Bogota; from "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] Eliecer Meneses is an independent Liberal Party representative to the Chamber of Deputies for the department of Cesar, who has coauthored, along with Representative Heyne Mogollon, the report on findings that was voted for yesterday at the Accusations Committee, recommending that the plenary of the Chamber of Deputies close and file the case against President Ernesto Samper. Mr. Meneses, good morning.

[Meneses] Good morning.

[Arizmendi] People are wondering whether there were any political motives behind the votes by Rodrigo Arcila, a Pastranist conservative, Mario Rincon, conservative for Santa Fe de Bogota, and Jorge Mantilla, conservative for the department of Santander at the moment of yesterday's assessment of the two reports by the Accusations Committee.

[Meneses] I cannot express an opinion, because I cannot enter the inner minds of the three honorable lawmakers who you are mentioning. But I can affirm and assert that the draft report signed by Mogollon and Eliecer Meneses was conceived after we compared the facts and made a legal analysis of all the evidence supporting the facts. We have reached the conclusion, based on our rules on criminal proceedings, that there are no factors or indications to lead us to believe that the president knew of any reported infiltration of drug trafficking money during his presidential campaign. We believe that the right decision, in accordance with the law, is the closing of both the investigation and the case, as spelled out in Article 441 of the Penal Procedures Code, which includes the reasons that would warrant an indicting resolution.

[Ayala] Mr. Meneses, do you think that the recent ruling by the Prosecutor General's Office regarding the three ministers from the Samper administration and solidarity with the administration were more important or probably influenced the Accusation Committee's decision, or can you assure us that the vote was honest?

[Meneses] The ruling by the Prosecutor General's Office, or the local prosecutor before... [pause] have never influenced our actions or decisions. We, and I can vouch for myself, have conducted an honest, detailed, thorough study to be able, naturally based on the findings stemming from the inquiry and the evidence, to make a decision. They are two separate cases. The decision of the Prosecutor General's Office and ours are separate. The Prosecutor's decision had no bearing at all on my own decision, and that of Mr. Mogollon.

[Ayala] Some people might say now, Mr. Meneses, that you too did not see the elephant, or at least you saw it but let it go.

[Meneses] Well, at least I, who live out in the countryside and have not visited the capital city in many years, can say that there are no elephants where I come from. There are cattle and other types of animals, but we have no elephants over there...

[Arizmendi, interrupting] Do you think...?

[Meneses] ...you would have to go to Africa to see them.

[Arizmendi] Do you think, Mr. Meneses, that the Accusations Committee's decision will both satisfy public opinion and appease it?

[Meneses] I believe one thing, which should be evident and clear. The president is greatly respected and admired by the poor of this country. I believe that his government program is specifically aimed at helping the lower classes, so forgotten by other administrations. I come from the countryside, and we have gauged this to be true, so I have not made this up.

[Arizmendi] Yes.

[Meneses] It is evident and overwhelming, and inarguable, that the majority of the Colombian people agrees with the decision...

[Ayala] But one thing is completely unrelated to the other, Mr. Meneses. Because it leads us to believe that you voted because you were a Samperist and not according to the law?

[Meneses] No, I am not a Samperist. I want to make it clear that I am explaining...

[Sarmiento, interrupting] But one does not know...

[Meneses] ...you cannot punish me by saying that I am a Samperist. I have acted according to the law. And please pardon the lack of modesty, because only beggars are modest. I am a knowledgeable man. I am willing to face the plenary of the chamber and explain the whole case without even having to refer to a single document. That lets you know that I have acted according to the law and with knowledge of the facts and penal law as well. You cannot confuse and mix one thing with another. I am saying that I have examined. To examine is to observe. It does not mean that I have not completely identified things. I have not had any friendly ties with President Samper. And if you have any evidence to the contrary, then prove it to me. However, what you cannot do is make such a statement which is clearly biased and intended to distort what I have been saying.

[Arizmendi] Dr. Meneses, it is very likely that I failed to state my question properly. The point is that, first, you outlined the reasons why you voted in favor of closing the case against President Samper...

[Meneses, interrupting] And that...

[Arizmendi] Please allow me to continue. Second, you then started confusing the issues, praising the president, pointing to the high respect felt for him in your department, and that the majority of the population support his social program.

[Meneses] Is it a lie? It is not a lie!

[Arizmendi] No, no, no. What I was pointing out and at the same time asking you, was why you had voted in favor of the president and...

[Meneses, interrupting] I have not voted in favor of president...

[Arizmendi] ...and instead, you were explaining why Samper was well-liked in your department, which are two completely different issues.

[Meneses] I have been clear and explicit ever since the process started, and ever since I began to take part in it. I always stressed that my decisions would be in accordance with the law. Now, if it is your opinion that I have not conducted myself in accordance with the law, then the solution to that is very simple. You can turn to the legal system and file breach of public trust charges against me...

[Arizmendi, interrupting] I have not said that!

[Meneses] The problem here lies in that the media knows nothing about the law. In order to betray public trust, there must have been breach of public trust due to omission. What is breach of public trust due to omission? This is when a public official, who is responsible for rendering a decision, instead decides to disregard, obstruct, or reject the responsibility. As a matter of fact, in no way has the Accusations Committee disregarded, obstructed, or rejected any ruling. We have all conducted ourselves in accordance with the law. For example, just take a look at the position adopted by Dr. Londono who says that he intends to file betrayal of public trust charges against the Accusations Committee. I am astonished that Dr. Londono who, without any doubt is a very learned person, can adopt such a position. Whether in victory or defeat every individual must show dignity.

[Sarmiento] That is correct, Dr. Meneses. Please allow me just one minute to ask a question, and at the same time allow everyone to calm down. Your decision with respect to the process that is taking place, which you have said is based on the law, is one thing. It is another thing for you to take the benefits of President Samper's government program into account at the moment of rendering a ruling. In this respect we would be having two completely different things. I...

[Meneses, interrupting] Of course. That is correct. These are different issues, as you just said. I have been clear from the outset in that I have always set the boundaries between the law and any other issue. Instead, you have all sought to merge the two issues, in a very crafty manner, and to distort the information. I have been very clear in that my decisions have been in accordance with the law. If you can prove otherwise you can simply turn to the courts. I am well aware of where all of this is leading to.

[Sarmiento] Well, sir, thank you. We just listened to Accusations Committee member Eliecer Meneses, who voted in favor of closing the case against President Ernesto Samper.

Colombia: Congress Member Arcila Says Samper Guilty

BR2405141296 Madrid ABC in Spanish 24 May 96 p 41

[Interview with Rodrigo Arcila, member of Congress and of the Accusations Committee investigating Colombian President Samper, by Mauricio Hernandez; place, date not given: "'There Is Sufficient Proof of Samper's Guilt, But Congress Will Absolve Him'" — first two paragraphs are ABC introduction]

[FBIS Translated Text] Rodrigo Arcila is categorical: "[Colombian President] Samper is guilty; he knew about the money being pumped into his campaign by the Cali cartel." To arrive at this conclusion he first had to sift for months through all the evidence provided by the public prosecutor's office implicating the Colombian president. The member of Congress told ABC: "I hope that we who believe that Samper is guilty will manage to convince the others."

A member of the Conservative Party, Rodrigo Arcila is one of the 15 members of the Accusations Committee investigating President Samper with regard to the money he received for his political campaign from the Cali cartel. Nine of the members are Liberals; five are Conservatives; and there is one independent. Unlike the majority of his fellow committee members, Arcila insists that Samper knew about the mafia donations.

[Hernandez] Why do you think that Samper is guilty?

[Arcila] Despite the fact that some members of the committee are pushing for an end to the investigation of the president, I believe they are biased because I too have followed the whole investigation and I consider President Samper knew about the money that was provided by the drug traffickers. For this reason and all the circumstances surrounding this trial, I asked the House of Representatives to accuse the president before the Senate. After reviewing all the accusations of the public prosecutor's office, I found a lot of clues, statements, and evidence given to the investigation by people closely involved in President Samper's campaign, such as former Minister Fernando Botero and campaign fund manager Santiago Medina. The work of these people was decisive in Samper winning the presidential election. I wonder why Samper only became their enemy when they accused him publicly of having known about the contribution by the drugs traffickers to his political election campaign.

"Samper Is Guilty"

[Hernandez] You and your colleagues all saw the same evidence, so why do you have differing views on the same investigation?

[Arcila] I examined the whole thing, each and every piece of evidence, with a great sense of responsibility with the Colombians, and my conclusion is that Samper is guilty. Committee Chairman Heyne Mogollon, however, states that there is insufficient evidence to accuse him. I think, on the contrary, that in all this evidence there are significant clues and statements that give every reason to suspect the opposite.

[Hernandez] How do you think public opinion will react if Samper is absolved?

[Arcila] If he is, then the people will not believe the members of the Chamber of Representatives who form the Investigating Committee which, moreover, is chaired by Heyne Mogollon who once before absolved Samper and closed the case because of a lack of evidence. Congress enjoys little credibility in our country. Even though there are some exceptions of honest parliamentarians, I think that the majority are held in suspicion by the people. Many of them are being investigated for illegally acquiring wealth; others will be investigated for their relations with the cartels; and some have already been imprisoned. There is no surprise about the Colombian people doubting their decisions.

[Hernandez] But nobody believed in the Committee from the outset...

[Arcila] Yes, that is true, a dim view is taken of the members of the Committee here, but such attitudes will change gradually. After my decision I have received a lot of support from all over the country. It has been encouraging for me to feel I have the backing of the majority and knowing that they think as I do.

"De la Calle Should Replace Him"

[Hernandez] What do you think would be the best solution to this crisis?

[Arcila] The only solution lies in the constitution. If the president of the country cannot govern since he is being investigated then he should give up and hand over to the vice president, Humberto de la Calle (also Colombian ambassador to Spain), out of respect for our rule-of-law state and our constitutional principles.

[Hernandez] What will happen in the Chamber of Representatives?

[Arcila] I am sure that the majority will absolve the president. There is a powerful Liberal majority in the Chamber of Representatives which will support him. When the president inaugurated Congress his Liberal colleagues applauded him, even the committee members. What can you hope for from a committee and Congress members who openly express their support and solidarity for the president they are investigating?

Colombia: National Liberal Directorate To Support Samper

PA2405202496 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 24 May 96

[From the "Midday Newscast"]

[FBIS Translated Text] Barranquilla — In a political meeting on the crisis in the country, National Liberal Directorate [DLN] President Emilio Lebolo Castellanos has just asserted that the DLN will continue to support President Ernesto Samper Pizano while the facts continue to indicate his innocence.

Meanwhile, Interior Minister Horacio Serpa Uribe has said the administration has received with satisfaction the request of the Investigation and Accusations Committee of the Chamber of Representatives that the process be shelved:

[Begin Serpa Uribe recording] The committee's request was seriously and calmly received with satisfaction and is waiting for the results of the decision approved by the Chamber of Representatives. [end recording]

Colombia: Forum on Rural Violence, Narcotics Issues

96GE0034A Santa Fe de Bogota EL TIEMPO in Spanish 22 May 96

[Received via Internet]

[FBIS Translated Text] Analysts claim that the war being experienced in the rural areas is perverse. The Army cannot defeat the guerrillas, nor can the guerrillas defeat the Army. The subversives cannot secure reforms with violence.

The country needs a strong state capable of expropriating the large landed estates from the drug traffickers, thus proving to the world that, in fact, there is a will to attack that evil at its roots.

"Is this the government that has the political legitimacy and effectiveness for proving that there is a strong state?" asked Juan Gabriel Tokatlian, a political scientist from the National University, by way of conclusion.

The proposition and the question remained as the main conclusions of the lectures devoted to the issue of violence, delivered yesterday at the Rural Social Summit.

Tokatlian was the one responsible for drawing the conclusions, based on the statements on the topic of violence made by the analysts: Alejandro Reyes, director of the Center for Political Studies (Cinep), and Francisco de Roux, from the National Association of Peasant Consumers (Anuc).

The various lecturers agreed that a war exists in the country's rural zones, in which the guerrillas, the paramilitary groups, and the Army are participating.

De Roux remarked: "It is a perverse war: the government and the Army know that it is impossible to attain the goal of defeating the guerrillas. Nor can this be achieved through the war to have an agrarian reform enacted, and to obtain other rural demands. But both are bent on continuing."

According to the lecturers, there are three urgently needed policies required for the rural areas, demanding the state's rapid action:

First, with regard to the "narcos," a thorough agrarian reform, with expropriation, contending with a corrupt National Congress, instead of persecuting the peasants who are growing coca; second, applying the full force of the law to the paramilitary forces; and third, in view of the impossibility of defeating the guerrillas, seeking a political solution through possible negotiations.

According to the specialists, an agressive policy to abolish land ownership, not only by the "narcos" but also by the landholders, also would result in three positive factors for Colombia: First, it would enable Colombia to emerge with its head held high in the eyes of the world, in its battle against the drug traffic. Second, the social debt that the country owes to the peasants would be paid. And third, it would also be possible to pave the way for negotiations with the guerrillas.

Assistance From the World

In the analysts' view, Colombia should not underestimate the world's contribution to the search for peace.

Therefore, the country should not be isolated, as has been proposed by certain civilians and some members of the military, because Colombia should take advantage of the international context that is being offered. It is a context favoring the national aspirations for peace, with the prospect of possible negotiations with the guerrillas.

The analysts claim that this context is comprised of two elements: the importance that the human rights issue has in the world, and the significance of the battle against the drug traffic.

On the other hand, De Roux calls the attention of the government and the country to the "livestock promotion" process (expansion of extensive livestock raising) being suffered by the rural areas. This proves the influence of the drug traffickers, who prefer extensive livestock raising as a means of laundering "hot" money.

That process, besides representing excessive concentration of the land (and the retention of many properties by landholders), as well as the devastation of many forests, is translated into situations such as those in southern Cesar, where 80,000 agricultural workers have been replaced by 1,000 cattle herders.

A representative from the Anuc claimed that the state should realize that, if a genuine agrarian reform had been achieved, with caution in the expansion of the agricultural frontier, the problem of many peasant families' connection with coca crops surely would not exist today.

In this regard, De Roux commented: "It is impossible to try to prompt a group of agricultural producers receiving an average of 1.5 billion pesos per year to shift to programs (such as the Plante [National Alternative Development Plan]) through which they are offered only 200 million pesos."

Reyes, for his part, displayed a series of maps showing the guerrilla movement's inexorable advancement in the entire national territory, and the dynamic growth that the paramilitary groups have had.

The analyst of violence alerted the country to the arrival of violence in the Pacific region, one in which the guerrillas are taking advantage of the conflict over land that is pitting the black communities against the Indian ones.

Ecuador

Ecuador: Leoro Asserts No Missing Peruvians in Country

PY2805031096 Madrid EFE in Spanish 0035 GMT 28 May 96

[FBIS Translated Text] Cochabamba, 27 May (EFE) — Ecuadoran Foreign Minister Galo Leoro Franco made clear today that his government has nothing to explain about the alleged disappearance in Ecuador of 13 Peruvians since the beginning of the military conflict between the two countries last year.

Leoro told EFE: "He [Peruvian foreign minister] is behind in the news, no one has disappeared, nothing happened, he is dead wrong."

Leoro admitted that the only thing pending is to find a Peruvian named Alvarez, who a few days ago "escaped from the military hospital where he was being treated."

Peruvian Foreign Minister Francisco Tudela reiterated his government's concern because there is no news on the whereabouts of 13 Peruvians, about whom Ecuadoran officials "have not said anything."

In this regard, Tudela said that the Peruvian consul in Quito visited Alvarez in the military hospital, which officially proves he was hospitalized in that hospital.

Tudela said that the Ecuadoran Government wanted to hand over the Peruvian citizen without any procedures, while Peruvian officials demanded the use of the regular channels.

"Right after the consul's visit, that individual disappeared and we were told that he escaped," said Tudela who added that his government is only interested in the fact that a Peruvian citizen, under custody of the Armed Forces, is no longer where he was.

According to Leoro, the situation of the 13 Peruvians has already been clarified in the sense that many of them never entered Ecuador.

Leoro said: "How could they be in prison if they never entered the country. Some of them have been returned and one stayed in prison because he was tried in Ambato before the military conflict."

Leoro and Tudela had a chance to talk in the airplane coming to Cochabamba to attend the 15th regular meeting of foreign ministers of the Rio Group held on 27 and 28 May.

According to Tudela, the answers of the Ecuadoran foreign minister to the Peruvian demands "were not precise," while Leoro said he told Tudela that "I don't have to make clear what has already been clarified."

Ecaudor: Nebot, Bucaram Cited on Relations With Peru

PY2705212696 Quito Voz de Los Andes in Spanish 1700 GMT 27 May 96

[FBIS Translated Text] Candidate Jaime Nebot, who will run for the Presidency of the Republic together with attorney Abdala Bucaram Ortiz in July, said that neither war nor relinquishing rights is a solution to the dispute between Ecuador and Peru over a portion of land on the border that lacks markers.

This is a problem with two extremes that we must not reach, or wish to reach; namely, war or relinquishing rights. Between these extremes there is room for many theories and methods of negotiation. One cannot relinquish the country's history and rights for the sake of pragmatism; one must, rather, resort to a series of elements in search of an honorable agreement between the two nations.

Nebot made this comment upon referring to the border conflict that has caused Peru and Ecuador to confront each other in three wars during the past 50 years.

Nebot, of the Social Christian Party, asserted that once the formula for a worthy, definitive, and lasting solution to the border conflict has been reached, it will be subject to a plebiscite because the country must remain united regarding this issue.

Bucaram, of the Ecuadoran Roldosist Party [PRE], reiterated, however, that his political party and its principles, ever since its foundation, have maintained that the Rio de Janeiro Protocol is void. In 1942 this agreement established the borderline between Ecuador and Peru, with the endorsement of Argentina, Brazil, Chile, and the United States as guarantor countries.

Since February 1995 — after the undeclared war staged from 26 January to 28 February 1995 — Peru and Ecuador have been negotiating a peace agreement.

Bucaram added that the PRE agrees on the need for a state policy rather than a government policy on this issue, and added that within that framework, they appreciate the dialogue and the state of affairs proposed by the guarantor countries in order to be able to continue making progress in the negotiations on the border problem.

I will maintain this line as well as communications with the guarantor countries in order to bring peace and tranquillity to our country. This is all the more true now that our countries, more than ever, do not desire war, Bucaram said. He explained, however, that this implies safeguarding Ecuador's sovereign rights.

Ecuador: 'Normalcy' Marks Delayed Elections in 14 Towns

PY2705213496 Quito Voz de Los Andes in Spanish 1700 GMT 27 May 96

[FBIS Translated Text] Normalcy marked the elections held on 26 May in 14 towns of six Ecuadoran provinces, where the 19 May elections had been suspended due to various irregularities in the ballot slips.

Referring to the elections for various candidates, postponed due to problems in the distribution or printing of ballot slips, the Supreme Electoral Tribunal [TSE] reported that normalcy prevailed and that no problems surfaced during the elections.

The elections were canceled because some ballot slips carried the photograph of one candidate with the name of another or on others the candidates were under the name of the erroneous party. In some cases the ballot slips for one province were sent to another. Therefore the elections could not be held on 19 May.

The elections took place in Marcelino Mariduena, Guayas Province, Pajan y Bolivar in Manabi, Urdaneta in Los Rios, Pizarro and Putumayo in Sucumbios, and in seven towns in Zamora-Chinchipe, including its capital, Zamora.

The TSE stated that some 140,000 voters were summoned to participate in these postponed elections in which they elected municipal council presidents, councilmen, and provincial deputies.

Ecuador: 'Basic Issues' Seen as Key to Sierra Vote

96SM0312A Quito HOY in Spanish 20 May 96

[Commentary by Thalia Flores y Flores: "The Sierra, the Great Voter" — received via Internet]

[FBIS Translated Text] For the first time since the restoration of democracy in 1979, yesterday's general elections did not make a politician the grand elector — that personage who, in third place, claims to have the votes needed by the finalists for final victory.

In the elections of 1996, the Ecuadoreans turned the Sierra, one of the four geographic regions, into the grand elector; and winning the votes of its people will mean victory for one of the finalists. But this characteristic of the Sierra is also its great weakness. While the Costa has found its leaders — Nebot and Bucaram — the Sierra is still in search of it own. On the Costa, the winners have little to gain; in the Sierra, they must start from scratch. The key is how to do it, taking into account that Freddy Ehlers and Rodrigo Paz will, in the end, release their voters, in view of the impossibility of transferring them and of the scant "prestige" left to them by the electoral results for any chance of a political alliance in the near future.

The electoral results oblige Jaime Nebot of the rightist Social Christian Party [PSC] and the populist Abdala Bucaram of the Ecuadoran Roldosist Party [PRE] to turn their eyes to the Sierra. To a region that saw its candidates lose, condemned by their own errors. Errors noted beforehand, and therefore in no way attributable to the voters.

How to penetrate the Sierra, how to overcome those ominous negative ratings that, it is assured, burden the two finalists and which, according to Informe Confidencial, approach 23 percent for Nebot and are more than 50 percent for Bucaram, has become the key to be resolved urgently, as time is beginning to run out for them.

The answer was not long in coming: Bucaram will have to "win over" two or three persons of prestige, who will reassure the upper middle class, that segment of the population that now seems to hold the key to "victory" on 7 July, according to an analyst connected to the center left. The strategy took shape when Bucaram managed to place Rosalia Artega on his ballot. And then, during the campaign, when he took care to penetrate intellectual circles of Quito and Cuenca, to which she has access, but where a Roldosist candidate had never before entered.

If Abdala Bucaram manages to gain access to that part of the population, he will have overcome the most difficult of barriers. And Rosalia will have more than accomplished her objective, which, with the approach of the runoff election, will be expanded to winning the women's vote — she being the first woman in the history of the country to be a finalist in the runoff election.

Not less important for the two candidates will be "winning over" the support of local leaders in order to try to create networks of solidarity, by means of which they will be able to gain access to electorates like those of Pichincha and Azuay, mistrustful of the candidates, but susceptible to the influence of governments which control state budgets, indispensable for local and regional development.

Meanwhile, winning the trust or the support of the national leaders of the losing parties cannot greatly help the finalists, who must concentrate their attention on their own individual advantages.

Identity

The candidates must go well beyond campaign slogans; the marketing has been left behind, says Alejandro Guillen, a researcher from Cuenca, who claims that he who wants to win the second round "must be a candidate with identity," because voters will be much more rational.

That will be the moment when Nebot and Abdala will have to address themselves to the "basic issues:" privatization, foreign debt, social security, decentralization, etc. — subjects neglected during the first-round elections, but now essential to win the election. That will be when credibility will become the cornerstone to elevate the personality of him who aspires to Carondelet. This is perhaps Jaime Nebot's strongest point. He will be in charge of "terrorizing" upper-middle-class Ecuadoreans, who will not allow the country to be divided between good and bad, and rich and poor. The moment will have arrived to bring out on the platform the companions on the ballot: Diego Cordovez and Rosalia Artega, who, having become protagonists in the campaign, will each assume the role of conciliator.

Ecuador: Nebot Advantage With DP, MNP Seen

96SM0312B Quito HOY in Spanish 20 May 96

[Commentary by Maria Gabriela Paz y Mino: "Nebot and Bucaram: The Quest for the 'Orphans'" — received via Internet]

[FBIS Translated Text] After the results of the first-round election, the key to the second round rests in those approximately two million "orphans" (voters of the center left) whose candidates were left out of the running.

This is about 30 percent of the electorate — who, after the first round election, are now free and more at sea than ever (especially because their orphanhood is without precedent in electoral history: "There has always been a sharp confrontation between two themes, that of the center left and the right. There was an ideological pattern that is now broken," says sociologist Carlos Arcos.)

Therefore, the strategies will be aimed at them. The watchword will be to reduce the "negatives" in this sector toward each of the candidates. Nebot is a step ahead in that regard: "Due to preparation over the long term that emphasized security, no inflation, and positive policies that win over the middle class, Nebot has higher approval ratings than Bucaram."

On the other hand, matters will not be so simple for Abdala. "Liberalization no longer frightens the middle class, which now earns much of its living in the private sector." And Abdala's style — despite his recent moderation and the toning down provided by the image of Rosalia Artega — costs him many votes among the "nervous middle class."

The strategy of "poor against rich," "everybody against the right," "the country against the Guayaquil oligarchy" might help him, but the "time factor" is against him.

The "Children" of Paz and Ehlers

The "orphans" of Paz are middle-class orphans. This is why it is easier for them to turn toward Nebot, according to Carlos Arcos. But it is not so simple for the orphans of Ehlers. Why? The heterogenous nature of the sector that promoted Ehlers' candidacy, which, when deciding to vote for one of the two finalists, could divide into three.

"Certain sectors — the unions for example — could reach a political agreement with Bucaram, in exchange for "him keeping hands off," says Arcos. "Another segment — that which has already obtained much of what it wanted, for example to elect Luis Maca to Congress — will opt for the thesis of annulment (something like "this is someone else's fight"). And a third sector — who say "we lost, but we should support a certain order" — could follow Nebot.

Ecuador: 'Credibility' Seen as 2d-Round Decisive Factor

96SM0312C Quito HOY in Spanish 20 May 96

[Unattributed article: "Credibility Is the Challenge" — received via Internet]

[FBIS Translated Text] The personalities of the finalist candidates for the presidency of the republic, Jaime Nebot Saadi and Abdala Bucaram Ortiz, will have more influence on the votes that will bring one of them to the Government Palace than the proposals and the economic and social programs that each of them will present.

Although it is clear that Nebot seems more articulate and coherent, insisting that he knows how to solve the nation's problems, Bucaram is very able when it comes to building emotional bridges to various groups of voters.

Both men, rough politicians from the Costa who set up their primary platforms in Guayaquil, coincide in stating that they propose to reduce the size of the state. "It should govern more and administer less," says Nebot. "Small and efficient," says Bucaram.

Both are aware of the justice system's loss of prestige. They maintain that reform and judicial independence are necessary. The words of each are different, but the general concept they have set down on paper is similar. The challenge for both will be two-fold: to express their platform in specific terms and to win the credibility of the voters, who view with skepticism proposals that they have already heard but that have never been realized.

Both candidates start out by criticizing the style of privatization that the Duran-Ballen government has attempted - more than carried out.

Nebot is more specific in proposing mixed capital in state enterprises, worker stock ownership, and private enterprise administration, which in turn would finance the Solidarity Fund to achieve economic growth.

Bucaram is more ambiguous. He has criticized "the flawed concept of privatization" which has handed over undervalued stocks. He will support private investment in the so-called strategic areas.

Both candidates support realistic exchange rates when discussing monetary policy; they also favor tax collection and tax reform.

In addition, Nebot has promised to revoke the regulation that fixes fuel prices.

Their social policies have differences of nuance. Bucaram speaks of giving priority to education, health, and agriculture, and maintaining subsidies for the poor. Nebot has more specific proposals: less pressure on the family market basket, generic medicines, trained and well-paid teachers.

The differences between the two finalist candidates will not be found in their general platforms, nor in their speeches, nor in the literature distributed by their campaigns. In the end, victory will depend on the credibility they achieve in every social and regional sector, which in turn is a result of different motives and circumstances.

Ecuador: HOY Foresees Campaign of 'Personality Clash'

96SM0312D Quito HOY in Spanish 21 May 96

[Editorial: "Election Strategies" — received via Internet]

[FBIS Translated Text] The two finalists for the presidency of the republic, Jaime Nebot and Abdala Bucaram, have begun a campaign to win over the other half of the country that did not vote for them.

The run-off election seems to be a contest to win the vote of the Sierra. Both candidates must conduct a serene and conciliatory discourse, in order not to awaken the fears and prejudices of the people of the Sierra toward the controversial and passionate natures that are often attributed to these candidates. However, these old adversaries are tough, and each denies that the other possesses any merit, which makes one think that the campaign could be marked by violence.

If each candidate keeps to the pattern of the first-round election, Jaime Nebot will insist that he is the man who is able to bring Ecuador to modernity through good leadership, which it has always lacked. This proposition could resound well in the ears of people in the Sierra, especially in the middle class and higher.

On the other hand, Abdala Bucaram will use the slogans "candidate of the poor" and "enemy of the oligarchy" — which, if convincing, would benefit him numerically.

In the formulation of ideological and economic programs, it is unlikely that voters will find reasons to incline one way or the other. On paper, the candidates present similar alternatives. They are populists, they believe in a market economy, and they subscribe to modernizing trends.

Therefore, the balance will be struck between trust and fear. Both candidates, seen from afar in the Sierra, will have to overcome the negative factors they awaken — fear — while they move toward trust. In the final analysis, it will be a confrontation of personalities.

Ecuador: Bucaram Adviser Plans 'Anti-Nebot' Strategy

96SM0312E Quito EL COMERCIO in Spanish 21 May 96

[Unattributed article: "Anti-Nebot Vote Bucaram's Buzzword" — received via Internet]

[FBIS Translated Text] After learning the results of the first-round election, the campaign committees are planning strategies for the second round, where the idea of the antivote will gain force, as each finalist takes note of his rival's mistakes and successes.

Jose Salem, adviser to Abdala Bucaram's campaign, says that not only can there be an anti-Abdala vote, but also an anti-Nebot vote, so that this variable can serve as an all-purpose excuse, to be used when the situation warrants.

The night before last [19 May], Social Christian candidate Jaime Nebot gave his definition of the anti-Abdala vote, speaking of a vote against foolishness and saying that, if the Roldosists win, the situation will go from chaotic to catastrophic.

This is seen by Salem as a strategy worth repeating, because a vote for Abdala will be a vote against lies, the oligarchy, cheating, and the right, "because people are tired of hearing them talk about high interest rates, and it is the system that they designed that is exactly what is causing it."

At this point, Salem insists that there is no anti-Abdala vote, "because if we talk about that, we must also consider an anti-Nebot vote, as the middle class will be with Abdala due to natural identification: those who voted for the MPD [Democratic People's Movement] will not vote for Nebot. In the worst case they will nullify their ballots."

Salem believes that this anti-Abdala vote does not exist, and that the Social Christians are trying to confuse the election for mayor with that for president, where Nebot was shown to have lost voting strength and had low drawing power.

The Roldosist admits that the Social Christians won the election for mayor by a margin of two to one, because the electorate still had memories of an abnormal administration, such as occurred with Elsa. However, he points out that without government support, a mayor of Guayaquil is bound to fail.

But it was in that contest that a strategy was evident. Salem says that Alfredo Adum's campaign for mayor allowed the PRE [Ecuadoran Roldosist Party] to establish itself in the Sierra, as voters in the periphery of Guayaquil vote in other provinces.

Manabi, Chimborazo, Canar, Los Rios, and Bolivar are the proof. "Adum sacrificed his vote, but that campaign made us gain in those provinces, such as Chimborazo, where we obtained two deputies."

In the second-round election, the Roldosist leader explains, there will not be a special strategy for each province. The campaign will be carried out as a function of the discussion of a government program, of a consensus with the forces of the left, and a forbearance that will avoid giving in to the provocations of the Social Christians.

Bucaram also thinks along these lines, and his view is supported by his party again, showing that it is the second electoral force and has made progress in consolidating its role as a national and not a local party.

The situation in the first-round election was very clear to Salem. "We had to show that we are an electoral force, and that the leadership Bucaram demonstrated in Congress was exercised without impositions, setting aside personal considerations," said Salem.

But the main thrust of the campaign has changed. While the vote in Chimborazo and Cotopaxi favored the PRE and therefore assured them some support from the indigenous vote, the Roldosists must not become careless, and so Salem confirms, when he remarks that "this time Abdala cannot make any mistakes."

Ecuador: Presidential Contenders' Stands Listed

96SM0312F Quito HOY in Spanish 20 May 96

[Received via Internet]

[FBIS Translated Text]

Jaime Nebot's Proposals

State and Privatization

A small state that "governs more and administers less."

Deregulation and decentralization.

"Depoliticization" of the justice system. The professional associations will elect magistrates to the Supreme Court.

Transform state enterprises into corporations, guaranteeing the stockholders participation by the state - including majority participation - and of the workers.

Transfer of proceeds from government-owned stocks to the Solidarity fund.

Privatization without monopoly advantages.

Economic Policy

Establish exchange rate parity "without benefiting inefficient producers or exporters."

Reduce the deficit through "rationalization of spending and an increase in income, fighting tax evasion"; access to international credit, capitalization of state assets.

Fixing fuel prices based on a floor on the cost of production and a ceiling on the international cost.

Encouragement of industry and of exports through certainty regarding the rules of the game.

Promulgation of the electrification law and of various forms of electrical energy.

Subsidized interest rates for agriculture and small businesses.

Social Policy

Regulation of the prices of items in the family market basket and the establishment of people's stores.

Investment in public works to create jobs.

Availability of low-cost generic medicines, introduction of free maternity care, nutrition supplements, and preventive medicine.

Improve education with trained, well-paid teachers, free textbooks, and technical and short-term courses of study.

Transformation of the IESS [Ecuadoran Social Security Institute], maintaining the principle of solidarity and coverage for the peasants. Sale of unproductive IESS assets, recovery of the government's debt, increase in the patrimony of the IESS, and — when it is competitive and efficient — open the market to competition from private firms.

Activate the construction sector with state and private participation. Finance and subsidize socially desirable housing.

The Border Dispute

Continue negotiations.

Conduct a popular referendum on acceptance of a definitive solution to the territorial problem with Peru.

Concept of development: create an economy of abundance through judicial confidence and clearly understood rules. Combine market efficiency, solidarity and responsible action by the state.

Abdala Bucaram's Proposals

The State

A small, modern and efficient state.

Decentralization and reduction in the size of the state. Allocation of more money to local government agencies from existing taxes.

Strengthen the independence of the three branches of government.

Establish bicameralism with a chamber that legislates economic matters or a chamber on matters of state.

Eliminate the State Bank and return to the old National Fund of Participations to strengthen equity in distribution of funds to municipalities.

Provinces must finance and execute their own projects, without major assistance from the central government.

Modernization and Privatization

Opposition to "this government's flawed concept of privatization" in which undervalued shares are turned over to the private sector.

Revaluation of state enterprises prior to the formation of mixed companies, in which the state receives a fair payment and the investor a reasonable profit.

The executive will seek out national or international specialized firms as sources of investment.

Private investment will be allowed in the strategic areas: petroleum, energy, and telephones.

Support for education, health and agriculture. Reform the IESS and capitalize it for broader coverage. Lines of soft credit for the productive sectors. Rationalization of spending and investment.

Economic Policy

The differential in the exchange rate will be reduced until exchange parity is achieved. Resolve the fiscal deficit by means of tax reforms, collection of customs fees, control of prices to the public, elimination of subsidies to the financial sector, and declaration of taxes on exports.

Increase resources through recycling the monetary mass, bank controls on foreign currency, control of laundering of narcotics proceeds, and incentives for the investment of new capital.

Control of inflation through monetary stability. Inflation will not exceed 15 percent and could reach single digit figures: four or five percent annually.

Reduction of interest rates to promote economic growth that will reach five or six percent in the first year. The goal is 8 percent annually.

Renegotiate the foreign debt in accordance with the nation's real ability to pay, in order not to restrict economic growth.

A firm negotiating position will be taken, but without confrontation.

Encourage a new role for the banking industry, eliminating monopolies and subsidies. Reduce the number of financial companies from 365 to 20 or 30. Keep 10 or 12 banks.

Control investment and provide security for the financial system.

Indirect taxes on fuel and electricity will be eliminated. Open the market to the import of foreign fuel with more competitive prices.

Productive Policy

Guarantee a stable legal system and equal treatment for domestic and foreign capital.

Provide lines of soft credit to encourage production with low interest rates.

Support the mining and agricultural sectors, reducing prices and increasing production.

Petroleum will remain in the hands of the state, because the national patrimony cannot be sold.

A law will be promulgated that allows private investment in the electrical energy sector, subject to state control and complying with its social obligations.

Reactivate thermal plants, utilizing gas instead of diesel fuel.

There will be an agricultural revolution: classifying the country by productive zones, improving access roads, promoting technology transfer, mechanizing agriculture in the Sierra, creating wholesale markets.

Rural development programs and encouragement of production to reduce poverty and emigration.

Participation in regional integration will occur after verifying that there are advantages for the country.

Social Policy

Priority to education, health, and agriculture.

Retain subsidies in health and education for the poor: gasoline, gas, meat, milk, and rice.

Job creation will be a priority, based on public works and private investment. The goal is to create 500,000 jobs in four years.

Raise salaries in accordance with growth in production and inflation.

Increase the budget of the Ministry of Health, professional training, education for the people, and suitable hospital infrastructure.

Dedicate 30 percent of the state budget to education, create a ministry of culture, reform initial and basic formal education, and increase teachers' pay.

Reform and capitalize the IESS, expand coverage of services. Any other form of social security must be based on the principle of solidarity.

Provide new resources for the construction of at least 90,000 new housing units. Finance housing with soft credits, and create a materials bank for popular construction.

Include considerations of the problems of women in development projects.

Ecuador: Voters' Preference for 'Showy' Types Noted

96SM0313A Quito HOY in Spanish 21 May 96

[Commentary by Andres Carrion: "Absurd" — received via Internet]

[FBIS Translated Text] The analyses are on their way. They will begin to spin and respin their solemn arguments and interpretations. Brilliant pronouncements will be made to justify and explain the events that have taken place. It is a kind of political juggling act that attempts to put the people's decision into words—to describe it in highly intelligent phrases and explain it to us, just like those sports announcers who comment on a game that all of us have watched.

Last Sunday the people went to the polls as they have always done, but at night. The leaders of the nation's thinking used this exercise of spin doctoring and manipulation to engage in sleight of hand and illusionism, in a manner somewhat symbolic of the usual scenario: the people are in the streets or in the schoolyards, while their leaders are on the rostrum to decipher the absurdity of it all.

The fact is that the absurdity is of splendid proportions. A people 50 percent of whom voted for the cartel or for populism are worthy targets of the inconceivable. Fascinated by the sensationalism, the people allowed the illusions to continue—the illusions that promote currents of opinion that are opposed to logic. No ideas, no serious specific proposals, only political deals. In order to be be president, what you need is money and smiles. Music and show. Sensationalism and plastic.

The people voted for arguments that are completely alien to idealism and values. Some voted for a brutal capitalism, others for a bestial populism. The opposite ends of the political spectrum were in an embrace of percentages, a marriage of desperation. An unprecedented 70 percent of the electorate will have to make their decision amid nationwide ridicule. It is a cruel fate.

We do not have the option of a vote for moderation and calm. The contest is between the extremes. We face a dilemma whose outcome is ultimately death, as if the choice is either aids or cancer.

Ricardo Noboa, Rodrigo Paz, and Jacinto Velazquez were the candidates who scored the highest grades during the electoral contest. These three candidates fit the profile of a candidate with 20-20 vision, while their opposition included other candidates who received low grades. Those candidates who received the worst grades received the most votes, and the half of the Ecuadoran population who voted for them harbor feelings of contentiousness, protest, derision, and confusion but also feelings of sadness, pessimism, and grief. Their vote was a vote for evil.

Enthusiastic desire also found expression during the election, however, thanks to the followers of Freddy Ehlers. There was color, joy, and freshness in their campaign, which was also filled with illusion, faith, and conviction. Moreover, the vote received by Rodrigo Paz was a tribute to seriousness, responsibility, and intelligence. His campaign was characterized by moderation, discretion, and dignity. The candidates of the Center-Left were good competitors, and their combined vote came to more than 30 percent.

Those who provoked this division among the population bear the responsibility for what has happened, as was mentioned in the proper context. Blind ambition and vanity gradually created an absurd scenario. Division was created, and brother began to confront brother. During these hostilities, very harsh things were said and bad vibrations were emitted. In the days to come, the challenges that destiny brings must be met with maturity and responsibility. The most serious defeat was that suffered by the Democratic Left; the citizens—with their amazing wisdom—punished it for trifling with them. The penalties imposed by the voters were of the same kind as those observed in the case of the prefecture of Pichincha. The people do not forgive disloyalty and betrayal.

Ecuador: Pollsters Say Undecideds Voted for Bucaram

96SM0313B Quito HOY in Spanish 21 May 96

[Unattributed article: "Undecideds Turned to Bucaram" — received via Internet]

[FBIS Translated Text] Angel Polibio Cordova, the director of Cedatos [Ecuadoran Data Company], insists that the public opinion polls are useful not for predicting the number of votes a candidate will receive but for determining trends among the electorate.

Cordova says that the polls conducted by Cedatos reflected the fact that the candidacy of the attorney Abdala Bucaram was the only one to show consistent growth. On last 29 February, Bucaram started out with 11.5 percent; reached 15.5 percent in April; and on 18 May stood at 21.6 percent, which put him in second place. "This is the trend that should be taken into account," Cordova says. "Bucaram's numbers were always rising." According to Cordova, the polls captured the reality of the days preceding the election, when "one candidacy was gaining strength, another was losing strength, and the number of undecideds remained constant."

Surprise

It undoubtedly caused surprise that Bucaram came in so close to Nebot. According to the polls, until 18 May Abdala had been slightly more than 10 percentage points out of first place.

Cordova maintains that Bucaram received the votes of those undecideds, who represented more than 20 percent of the electorate. "The undecideds turned to the candidacy that was gaining strength and away from the candidacy of Paz and that of Ehlers, which remained at 19 percent," the analyst says.

"There were more undecideds than ever before," he notes.

Who were the undecideds?

According to Cordova, the typical undecided voter was a resident of the mountain region, under 30 years of age, a supporter of the Center-Left, poor, and with little education. "The PRE [Ecuadoran Roldosist Party] had never before received such a high vote total in the provinces of Carchi, Pichincha, Chimborazo, Tungurahua, or Loja," he says.

The population was like a sleeping lion: 53 percent of the undecideds declared that they would not know how they were going to vote until they arrived at the polls on Sunday.

What convinced the undecided voters cast their vote for Bucaram? Cordova insists that it was not exactly Bucaram's speeches that tipped the balance in his favor but rather the "political mood" of the country. "It was the controversy within the Center-Left— the lack of integrity—that inclined the voters toward populism," he explains.

Cordova notes that other voters turned to the lesser candidates. He says this explains Vargas' slight rise to five percent from three percent; Noboa's rise to around four percent; and Castello's rise to more than two points from one point.

The Hidden Vote Tips the Scales

There is apparently an explanation for the difference between the projections of the pollsters and the actual election results.

According to Blasco Rene Penaherrera, the editor of MARKET, the Roldosist candidate Abdala Bucaram is the beneficiary of a hidden vote that is not reflected in the public opinion polls, and especially those conducted in the rural areas. This would probably explain, for example, why Bucaram came in first in Manabi Province although that had not been forecast in the opinion polls.

Minimal Difference

Penaherrera said that three or four months before the elections the Roldosist candidate had encountered considerable resistance, but because of his decorous behavior during the campaign this resistance had gradually been dispelled. That is why an increase of 3 or 4 percent in his final vote total could have been foreseen, but because the official data from the public opinion polls were unavailable, it was impossible to speculate.

MARKET's margin of error is 2.8 percent. "If the aforementioned explanations are taken into account," Penaherrera emphasized, "the difference is obviously no greater than that."

Last-Minute Changes

The opinion polls showed that Bucaram gained strength in the last days of the campaign, in contrast to the other candidates.

It is therefore obvious that many of the 15 percent of the voters who—according to MARKET's figures—remained undecided until shortly before the election had been leaning toward Bucaram.

The candidates for national deputy were also subject to last- minute changes, although they did not receive priority attention during the final weeks of the campaign.

In the majority of cases, the voters ulimately decided to vote for the ticket of their presidential candidate or for the ticket of their candidate for mayor. If you take into account the fact that in many cases the voters made their decisions only at the last minute, then their votes told us nothing.

Ecuador: Democratic Left's Defeat Analyzed

96SM0313C Quito HOY in Spanish 21 May 96

[Commentary by Thalia Flores y Flores: "Will DP Absorb ID?" — received via Internet]

[FBIS Translated Text] It is not only the Pyrrhic election results obtained by the Democratic Left (ID) last Sunday that has brought the Center-Left (CI) brand of ideology to a position of bleak expectations after having been for years the major political force in Ecuador.

The erosion of the ID—the largest party in the Center-Left—began at the conclusion of its government in 1992, when in the elections of that year it sent fewer than 10 deputies to Congress (it had 30 deputies in Congress four years before) and wound up with its presidential candidate, Raul Baca Carbo, in a lonely fourth place.

Since that time the road that the ID has had to travel has been a rough one, comparable only to the road traveled by the Concentration of Popular Forces (CFP) ever since that party brought the duo of Jaime Roldos and Osvaldo Hurtado to power in 1979. The CFP's decline began that year, according to the political analyst Luis Eladio Proano, who says that the ID has suffered a similar fate.

The Punishment

But what happened on Sunday to cause the ID to shrink its own electoral potential in the nation? This is the question that is heard insistently today in political circles, in view of the fact that the ID won only five seats whereas its allies of the New Nation—in their initial venture into politics—"placed" no fewer than seven deputies.

In Proano's opinion, the voters of Ecuador "punished" the ID and its leaders for the ideological capriciousness that at one time had led them to support General Frank Vargas of the Ecuadoran Revolutionary Popular Action (APRE); to ratify that alliance some days later at a national convention; and ultimately to withdraw their support. Meanwhile, they pulled out of their sleeve the ace card that had been announced months before by the founder of the party and former president of the Republic, Rodrigo Borja Cevallos, namely a candidate "from outside the political parties." From that time on, however, he reportedly controlled the destiny of the party that he himself had founded and that catapulted him into power.

"That kind of action was not a decent or ethical thing for a party to take," says Luis Eladio Proano, who finds in that attitude the reasons for the disillusionment of the ID's former constituency.

This opinion is also held by the political analyst Jose Sanchez Parga, who insists that the ID's votes were transferred to the Popular Democracy Party—which had been converted into the referent of the sector—by the resentment of the voters, together with the "orange" party, for having made no effort to unite the various groups in the movement.

Another factor that probably influenced the behavior of the members and sympathizers of the ID was the realization that the party was incapable of updating its discourse, which although verbalized had failed to adapt itself to the referents of the changing world. This apparently caused the party structure to lose some of its identity in the eyes of its own members, who were indeed aware of the new political and economic systems in effect.

This unfinished chain of errors, and the party's inability to recover ground in elections, seems to have ultimately condemned the Democratic Left to a slow and agonizing illness, which could cause its demise if—as those in the know say—the Popular Democracy Party (DP), the other party in the movement, takes advantage of the situation and ultimately absorbs the ID.

Ecuador: Victory of Social Christians, Pachakutik Noted

96SM0313D Quito HOY in Spanish 21 May 96

[Unattributed article: "Leaders, Parties Breaking Down" — received via Internet]

[FBIS Translated Text] Is there perhaps a perverse relationship between the makeup of the Congresses and the presidential elections?

If a discrepancy is shown to exist between the percentages of the electorate in the various provinces and the concentration of the votes for the political parties in certain provinces, then there is probably another discrepancy: namely, between the political leaders and the political parties.

The vote results of last Sunday point in that direction. Whereas Jaime Nebot came in only two percentage points ahead of the second-place finisher, Abdala Bucaram, the margins between the two majority parties in the Congress—the PSC [Social Christian Party] and the PRE [Ecuadoran Roldosist Party]—are as much as 10 percentage points, thereby indicating the preeminence of the Social Christian Party over the man who is its leader and presidential candidate. The same thing is occurring within the Popular Democracy tent. For the DP, with a soundly defeated presidential candidate but a very substantial recovery of its strength in the Congress, Sunday night was like those sunny afternoons in Quito that are intermingled with rain showers.

The Sheriff Outsheriffed

A curious case occurred during the past election campaign: that of Pachakutik-New Nation. Approximately a dozen deputies are entering Congress on Freddy Ehlers' coattails, but in the context of a conflictive process that attracted tons of critical words during the campaign: the coexistence of List 18 with the Democratic Left [ID].

The strategy of the ID had appeared to be not only corect but successful up to and including the final opinion polls last week, which showed Pachakutik able to elect only one deputy, Luis Macas, following an intensive campaign. The polls were also reporting a substantial recovery for the ID that would translate into the election of at least 10 or 12 deputies. In the end, however, things worked out in surprising fashion: the ID won only five seats while the young Pachakutik movement made its debut in politics by electing six deputies. The results emphasize the failure of the orange's top leadership, which had staked its fortunes on achieving two objectives: elect to the Presidency a man from outside the political establishment, and thereby regain the leadership of the Center-Left; and recover the political ground lost in the last two disastrous campaigns. The election results, however, show a negative balance. Meanwhile. Candidate Ehlers' apparent plan to use the social movements to capture personal support now seems to have changed its party label. It is the Pachakutik movement that has achieved a major victory, over and above Ehlers' personal results. In other words, it is the story of the sheriff who was outsheriffed.

In accordance with tradition, whoever wins the second round will have to negotiate consensuses that are not always ideological or pure. Will it perhaps be the voters who—with a dose of wisdom—want its political class to forget hegemonies and learn to reach agreements based on political agendas rather than on sinecures?

Ecuador: Nebot Campaign Manager Plans Appeal to 'Reason'

96SM0313E Quito EL COMERCIO in Spanish 21 May 96

[Unattributed article: "Strategy" — received via Internet]

[FBIS Translated Text] *The Social Christian candidate might change the slogan "The People First." The Roldosist movement is taking aim at the Center-Left.*

Nebot will focus attention on Bucaram's weak points.

(Quito and Guayaquil bureaus)—Although the campaign strategy of the Social Christian candidacy for the second round remains to be defined, leaders of the party have already outlined some of the bases on which it will be constructed.

Heinz Moeller, Jaime Nebot's campaign manager, maintains that one of the bases will be an appeal to reason, so that the nation will be able to choose the correct option when it goes to the polls. "Rather than ask the people to vote for Nebot," he says, "we shall ask them to consider the type of government that our candidate could bring them as opposed to Bucaram."

Some changes will also be made in the advertising campaign, however. The idea is to simplify the message, make it more specific, and call attention to the record of the public acts of both candidates.

"We are not going to engage in personal attacks," Moeller said, "but we are going to tell the truth with regard to politics and concepts." And although they are proposing a public debate between the two finalists, Moeller believes debates are not necessary to ensure that Nebot is elected president.

The party will also seek to intensify direct and personal contact with the voters, involving something similar to a door-to-door campaign.

"What we seek," Moeller says, "is to attract that large mass of undecided voters who voted for other candidates in the first round."

In the opinion of party leader Xavier Neira, the plan is to maintain an open-door campaign policy. "We have already done this," he says, "by incorporating candidacies such as that of Diego Cordovez, who was a member of the ID government, so why should we not consider incorporating people from the DP [Popular Democracy Party]?"

According to Neira, the platform will be oriented toward defending the values of our society and making Ecuadoreans aware of what the rival candidacy signifies.

Will it be a campaign of personal attacks on the opposing candidate? Neira and Moeller say it will not; they maintain that the aim is to appeal to reason.

Their party, they maintain, preaches and practices ideological pluralism. "Our program can be perfected, and there is room to improve it. For that reason, we are calling for national reconciliation."

Reconciliation can be achieved, they say, "unless the partisan leaderships that remain in power attempt to impose their authority." The goal is to build bridges in the quest for a national accord.

The Social Christians are convinced that the contest for the Presidency will take place in the mountains, because the coast is already secure. And although Moeller acknowledges that in the eyes of this electorate both candidates are viewed as populists, he says that "Nebot is different in that his programs are pragmatic, and he has an excellent understanding of reality accompanied by solidarity."

The new strategy for campaign advertising includes the possibility of changing the slogan "The People First" to a more specific proposal.

Moreover, Nebot has already put into practice what his fellow ideologists have outlined. At his press conference in Quito yesterday, he emphasized on several occasions that the PRE [Ecuadoran Roldosist Party] represents negative values and is the antithesis of "what we Ecuadoreans are: people who are serious, decent, honest, hard working, and believe in solidarity. We must win this struggle," he said, "because it is a struggle for our survival...."

And because the people of Ecuador (yesterday, this meant the people of Quito and Pichincha) "are not a negative but a positive community," Nebot said, they will strive for civility and a better future.

"Things could be worse than they are now," he said, "if the person who is elected represents everything that a president of the Republic should not be, as is the case with Bucaram."

Peru

Peru: Tudela Denies Clinton-Fujimori Meeting 'Tense'

PA2505221096 Madrid EFE in Spanish 1939 GMT 25 May 96

[FBIS Translated Text] Lima, 25 May (EFE) — Peruvian Foreign Minister Francisco Tudela said today U.S. President Bill Clinton is not concerned about the innocence or culpability of U.S. terrorist Lori Berenson, who received a life sentence here.

Tudela denied reports of a "tense" meeting in Washington between Clinton and Peruvian President Alberto Fujimori at the White House on 21 May during a working visit Fujimori paid to U.S. businessmen.

Lori Berenson, 26, received a life sentence from a Peruvian military court in March after having been captured in late November 1995 while leaving the Peruvian Congress, which the Tupac Amaru Revolutionary Movement (MRTA) had planned to overtake by storm. The MRTA leader is being housed at the maximum security prison in Yanamayo, Puno Department, located on a 4,000 meter plateau.

According to Tudela, Clinton told Fujimori he is not interested in the merits of Berenson's case, but he had to broach this issue because various congressmen and segments of his country's population are concerned about the procedural aspects.

"The merits of the case pertain to her innocence or culpability, and if the U.S. President said he is not interested in the merits of the case, he is saying that he will not judge whether she is innocent or guilty and that this matter pertains to Peruvian authorities," the foreign minister added.

Tudela said "President Clinton has evidently shown interest in assuming a tough position against terrorism anywhere, in the United States and in the rest of the world."

The meeting between Fujimori and Clinton lasted 25 minutes and was cordial, Tudela added. He said the presidents focused their discussion on Peru's development, "and it was not until toward the end of their meeting that President Clinton mentioned Berenson's case."

"In past years, Peru has experienced several political shakeups, such as the 5 April coup that cooled our relations with the inter-American community. Public acts such as this represent a "turning of the page" that gives U.S. Government authorities an opportunity to abandon their "expectant silence" and to reaffirm their willingness to cooperate with the Peruvian process," Tudela added.

Peru: Tudela Says 13 Missing in Ecuador Since War

PY2705214196 Madrid EFE in Spanish 1831 GMT 27 May 96

[FBIS Translated Text] Lima, 27 May (EFE) — The Peruvian Foreign Ministry today insisted on reporting the disappearance of 13 Peruvian citizens in Ecuador after Ecuadoran Foreign Minister Galo Leoro had rejected such reports.

Peruvian Foreign Minister Francisco Tudela asserted on 25 May that 13 of his fellow countrymen residing in Ecuador have disappeared during the past year.

Tudela made these charges shortly after his ministry reported the disappearance on 23 May in Quito of Peruvian physician Wilmer Alvarez, who was placed under arrest after sustaining a bullet wound and being charged with spying by Ecuadoran military forces.

In view of Leoro's denial, Peruvian Foreign Ministry sources consulted by EFE reiterated Tudela's charges and only explained that the Peruvian citizens disappeared under various circumstances throughout the year, after the undeclared war that confronted the two countries in early 1995.

According to the same sources that refused to reveal the identity of the victims, the International Red Cross organization is aware of the 13 cases of missing people through reports submitted by the Peruvian Government to this international organization. Physician Alvarez' identity is the only one known so far.

However, Georges Comninos, head of the Red Cross in Lima, told EFE today that he is not aware of these Peruvian Government reports.

Moreover, no relative or person close to the alleged missing people have published anything in the Peruvian media so far.

Tudela's charges are the first public and official charges in Peru regarding this subject.

Diplomatic sources consulted by EFE explained that the case of physician Alvarez "is the straw that broke the camel's back" and has compelled the Foreign Ministry to loudly report all the cases of missing people.

According to the sources, the Ecuadoran Government never answered the constant requests for information sent by its Peruvian counterpart regarding the allegedly missing people .

Shortly before travelling to Cochabamba, Bolivia, where the meeting of Rio Group foreign ministers started today, Tudela said he had requested a meeting with his Ecuadoran counterpart Leoro to ask for an explanation regarding the alleged missing Peruvians in Ecuador.

Peru and Ecuador are engaged in a peace process following the undeclared war that confronted them from 26 January to 28 February 1995, in an Amazon zone lacking border markers.

Venezuela

Venezuela: Russian Minister Primakov Begins Visit

PA2405135296 Madrid EFE in Spanish 2331 GMT 24 May 96

[FBIS Translated Text] Caracas, 23 May (EFE) — Russian Foreign Affairs Minister Yevgeniy Maksimovich Primakov began today an official 45-hour visit to Venezuela, the first Russian diplomatic leader to visit this South American country. This is Primakov's last stop on his tour of Latin America, which has already included Cuba, and Mexico.

After leaving Havana, Primakov arrived at Maiquetia International Airport, located approximately 30 miles from Caracas, at 2235 GMT, where he was received by Venezuelan Deputy Foreign Affairs Minister Milos Alcalay.

The Russian official will meet with Energy and Mines Minister Erwin Arrieta and with directors of the state-owned Venezuelan Petroleum Company, Inc. (Pedevesa) to discuss the possibility of improving relations between the two countries in the energy sector.

Moreover, according to diplomatic sources, Primakov will explain to Pedevesa directors his country's interest in purchasing orimulsion fuel, a bitumen that is used as a substitute for carbon in thermoelectric plants.

On Friday, Primakov will attend a number of protocol activities, visit Parliament, meet with President Rafael Caldera in the Miraflor Government Palace, and later meet with his Venezuelan colleague Miguel Angel Burelli Rivas.

Following a discussion with Burelli Rivas, the two officials will sign a friendship treaty and an agreement to improve cooperation between the two countries in scientific and cultural spheres.

On Saturday, the last day of his visit to Venezuela, Primakov will visit La Orchilla Island, a beautiful tourist resort located in the Caribbean Sea, and will then begin his return trip to Moscow.

Venezuela: President Meets With Russia's Primakov

PA2505035096 Caracas Venezolana de Television Network in Spanish 0230 GMT 25 May 96

[FBIS Translated Text] Ties of friendship between Russia and Venezuela were strengthened today with the visit paid by Russian Foreign Minister Yevgeniy Primakov to President Rafael Caldera at Miraflores Palace.

Following the meeting, the official from the Russian Federation said he talked with the head of state about the development of relations between both countries, which date back a long time. It is worth noting that Primakov is the first Russian foreign minister to visit our country.

[Begin Primakov recording in Russian with passage-by-passage translation into Spanish] I was very impressed with this meeting, with this reception. We talked about relations between our two countries. The president is acutely intelligent. He is very well informed about relations between our countries and wants to develop them further, just as we do. [end recording]

Venezuela: Defense Minister on Border Problems, Theft

PA2605222596 Madrid EFE in Spanish 2001 GMT 26 May 96

[FBIS Translated Text] Caracas, 26 May (EFE) — Venezuelan Defense Minister General Moises Orozco Graterol renewed his verbal attacks against Colombia and accused Colombian authorities of using vehicles and airplanes that were stolen in Venezuela in a number of official organizations, including the Air Force.

The military chief hardened his criticism against Colombia and stated that Colombia has not shown "commitment or willingness" to cooperate with Venezuela in solving the serious border problems and other consequences of guerrilla and criminal activities.

According to the official agency Venpress, in the border town of San Cristobal, Orozco said "the Colombian Air Force is using airplanes that were stolen in Venezuelan territory instead of returning the airplanes, which would show their responsibility toward Venezuela."

Orozco added that other Venezuelan airplanes have been added to Colombian airline Satena's fleet where they are currently in service, and that this is not exactly a demonstration of wanting to solve its problems with Venezuela, but just the opposite.

"What would happen if a drug trafficker were aboard an Avianca (a Colombian airline) airplane, and we captured him and seized the airplane?" Orozco asked. Orozco then replied: "I believe this reveals a country's lack of responsibility."

Orozco recalled that Venezuela and Colombia signed a number of agreements to find and return a large number of vehicles, airplanes, and boats that were stolen in Venezuela. None of these has been returned, however.

Orozco, who is scheduled to retire in July, reiterated his stance that Colombia is not guaranteeing peace along the border between the two countries and insisted that "hot pursuit" should be considered to counter guerrilla activities, a position which Colombia opposes.

Venezuela has also demanded a greater Colombian military presence at the border to prevent, or discourage, constant guerrilla attacks against Venezuelan military outposts, kidnapping of cattlemen, and drug trafficking activities.

Recently, Colombian Defense Minister Juan Carlos Esguerra again rejected the "hot pursuit" theory and stated that Colombia had strengthened its forces along the border.

"It is a lie. In regard to Colombian military security at the border, it is not true. I can assure you that from Guasdualito to Puerto Paez (southeast Colombia) there is not one Colombian soldier present in the border area, which allows the guerrilla forces to act with impunity," Orozco said.

"In this, and in other areas, there are no military patrols of any kind being conducted. That is what we are demanding from Colombia, that it conduct military patrols, and that it conduct them efficiently," Orozco concluded.

Venezuela: Private Sector Demands State of Emergency

PA2605202596 Mexico City NOTIMEX in Spanish 1628 GMT 26 May 96

[FBIS Translated Text] Caracas, 26 May (NOTIMEX) — Jorge Serrano, the president of the Venezuelan Federation of Chambers of Commerce [Fedecamaras], reported today, that his organization asked the government of President Rafael Caldera to declare a national state of emergency in the country due to the high crime rates.

The business leader said the "uncontrollable increase of crime" should compel the central government to declare a state of emergency that will allow it to implement a government policy that will really handle public security.

Crime, Serrano asserted, is not combated with "repressive policies alone, but with preventive policies and a working legal branch as well."

Serrano said Fedecamaras had invited Interior Minister Jose Guillermo Andueza to attend a meeting this Monday, to explain the government's security plans to the private sector.

Bankers, merchants, and industrialists protest every day because their companies suffer constant assaults and thefts and the situation has worsened over the past 30 days.

Gas stations are the businesses that are most targeted by thieves and their personnel have threatened to close the stations if the government does not give them 24-hour security at the different fuel distribution posts.

Suriname

Suriname: Vote Counting 'Very Slow', Disappoints NDP

LD2405142796 Hilversum Radio Netherlands in Dutch 1100 GMT 24 May 96

[FBIS Translated Excerpt] The result of the Suriname parliamentary elections appear to be very disappointing for former army leader [Desi] Bouterse's National Democratic Party [NDP]. As things are now, his party will receive one-quarter of the vote, which converts into 13 seats in parliament, two more than is the case now.

President Venetiaan's Nieuw Front coalition will incur considerable losses. In order to maintain its parliamentary majority the Front will have to cooperate with more parties.

The counting of the votes is very slow. Almost 11 hours after the polling stations closed, half of the votes have not yet been counted. [passage omitted]

The turnout in the Suriname parliamentary elections is estimated at 50 percent.

Suriname: Results Force Party To Negotiate Alliances

PA2405225696 Madrid EFE in Spanish 1952 GMT 24 May 96

[By Urrel Wilkinson]

[FBIS Translated Text] Paramaribo, 23 May (EFE) — The almost-tie results of the general elections in Suriname have made it necessary to begin today, Friday, negotiations to establish which of the two parties or coalitions will form the new government in South America's smallest country.

None of the parties participating in the elections that were held Thursday garnered the minimum number of votes necessary to establish the National Assembly according the law.

The New Front [NF], a coalition that has ruled since 1991, needs at least 26 of the 51 assembly seats to remain in power.

Neither the NF nor any of the other parties or coalitions have amassed the two-thirds of the assembly seats, or 34, needed to pick the new president. The NF, which went into the elections hoping to raise its number of seats from 29 to 34, has seen its legislative strength slashed to 25 seats.

After the results of the elections were known, former military commander Desi Bouterse, who hoped to head the country, said his National Democratic Party (PND) remains the main opposition bloc with 15 seats.

The mechanism to establish the new government is lengthy and costly, because the ministers of the interior and other remote areas will have to come to the capital to participate in the negotiations, something that so far is being conducted in good faith.

Political observers feel that no party is inclined to ally itself with the PND, because its leader, Bouterse, had a prominent role in the military coup in which 15 political leaders were killed. Bouterse is held responsible for the collapse of the Surinamese economy during the turbulent 1980's.

The Democratic Alternative (AD) and the Pendawa Lima Party have won four seats each. The Alliance Party won three seats and the General Development and Liberation Party, led by Ronnie Brunswijk, a former Bouterse bodyguard, won just one seat. The voting was marked by low turnout and no violent incidents.

Suriname: Bouterse Denounces Election Irregularities

PA2505145096 Paris AFP in Spanish 1243 GMT 25 May 96

[By Tamara Rodriguez]

[FBIS Translated Text] Paramaribo, 25 May (AFP) — Lieutenant General Desi Bouterse, leader of the National Democratic Party [NDP], has denounced before the Independent Electoral Council, in charge of safeguarding honest elections, irregularities that raise questions about the results of Thursday's elections in Suriname.

Bouterse told newsmen Friday evening: "I do not believe the election results are correct and for this reason I have requested a thorough investigation on the many irregularities we observed, especially the delay in announcing the total elections tally.

Bouterse based his claim on the fact that in one of the 10 districts into which the country is divided, in the district of Commewijne, there were 1,520 blank votes, an excessive amount, according to him.

Bouterse argued also that nonindelible ink was used and that this could have permitted voters to vote several times. He said there were also irregularities in the distribution of voting cards.

The NDP, which according to the last official bulletin issued Friday, obtained 15 of the 51 seats in the National Assembly, is the only of one the six parties that participated in the elections that has questioned the results.

In contrast, Edgardo Castro Reis, chief of the international observers delegation sent to Suriname by the OAS, has described the elections process as "normal."

Castro told AFP: There was no report about any major irregularity that could have upset the elections results.

The official admitted that the delay in making the results known created cóncern. There was concern in one of the three districts that faced delays, Brokopondo District, south of Paramaribo, where a wavering electricity service was interrupted and a flooded river isolated the area.

NDP spokesmen have told the media that they plan to organize a protest march in the next few days and expect to gather 30,000 people to demand new elections if the party's charges are found to be true after being examined by the Independent Electoral Council.

Suriname, a small former Netherlands colony in South America's northeast, existed as a dictatorship under Bouterse from 1980 to 1987 and these have been its first elections in democratic continuity.

According to elections results reported so far, the party that secured the most parliamentary seats (23) is the governing New Front for Democracy and Development.

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